The MAGAZINE of WALL STREET

EDITED BY

Richard D. Wyckoff

Chasing the Rainbow in Florida

How 122 Leading Rail Securities Are Rated

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With the Editors

The Magazine of Wall Street's Blue Sky Law to be Sponsored in Congress

We take pleasure in informing our readers that Congressman Christopherson of North Dakota, member of the House of Representatives Judiciary Committee, will sponsor The Magazine of Wall Street's Blue Sky Law and will introduce it into Congress during the approaching session. Our bill has drawn to it the warm support of many eminent statesmen, among whom are Senators Cummins and Capper, whose comment follows.

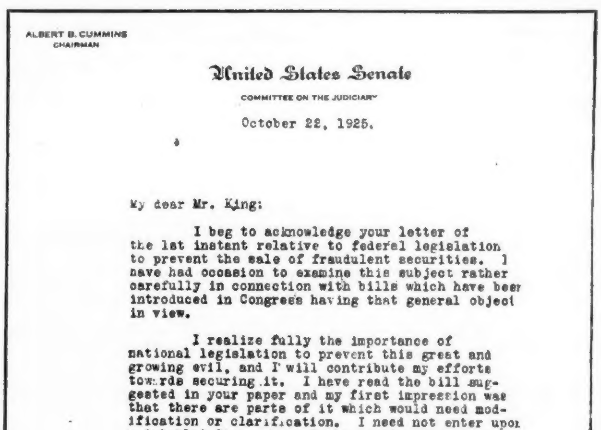
Editor, The Magazine of Wall Street:

I have just finished reading with very great interest your article in the October 10th issue of the Magazine of Wall Street with respect to the need for a Federal "Blue Sky" law to protect investors against the operations of promoters of wildcat securities, and the proposed law through the enactment of which you would meet this situation. You are on the right track. There is undoubted need for Federal legislation on this subject. It is a matter in which I have long been interested. Indeed, I introduced a bill during the last Congress through the passage of which it was hoped to regulate the issuance and sale of stocks, securities, etc., in the nation. We approach the subject from a little different angle, but the ultimate purpose is the same.

We have a "Blue Sky" law in Kansas. It is working effectively and saving the people of the state millions through the curb it places on the operations of promoters and salesmen of worthless securities. Most of the states have legislation on the subject, I believe, all of it serving a good purpose. But, as you say, the operations of these human vultures who prey upon innocent investors and relieve them of millions of their hard earned dollars, are growing to such an extent as to make it difficult if not impossible for the individual states to cope successfully with the situation they present. There is need therefore for Federal legislation to the end that the states may have behind them the strengthening hand of the government in their efforts to curb the floating of worthless stocks. Firms engaged in the legitimate business of dealing in stocks and bonds need have no fear of such legislation. Indeed, they should be the first to enlist in its support, as they should be more desirous than any one of ridding their ranks of undesirable operators. If The Magazine of Wall Street can arouse the people to the importance of this legislation it will have rendered a distinct national service. Please be sure of my warm interest in your efforts and of my desire to be of any service possible to you.

With kind regards, I am,

Very respectfully,
ARTHUR CAPPER.
(U. S. Senator from Kansas.)



ALBERT B. CUMMINS
CHAIRMAN

United States Senate
COMMITTEE ON THE JUDICIARY

October 22, 1925.

My dear Mr. King:

I beg to acknowledge your letter of the 1st instant relative to federal legislation to prevent the sale of fraudulent securities. I have had occasion to examine this subject rather carefully in connection with bills which have been introduced in Congress having that general object in view.

I realize fully the importance of national legislation to prevent this great and growing evil, and I will contribute my efforts towards securing it. I have read the bill suggested in your paper and my first impression was that there are parts of it which would need modification or clarification. I need not enter upon a detailed discussion of the precise form of the bill, it is sufficient to say that I am in hearty sympathy with its purpose.

Yours cordially,

Albert B. Cummins

Mr. E. D. King,
Managing Editor, The Magazine of Wall Street,
42 Broadway,
New York, N. Y.

An unequaled record of safety

It is about sixteen years since first mortgage real estate bonds, as they are now known, were placed on the market.

From that day to this no investor has ever lost a dollar in real estate bonds issued by the leading houses in this field.

During these sixteen years there have been two financial crises, one panic, one war and two periods of inflation and boom. Prices on the stock exchange have melted like snow in the sun—millions have been lost—banks have failed—businesses have stopped, but real estate bonds have paid interest and principal promptly and faithfully.

What other securities, except U. S. Government Bonds, can show a like record of safety?

This unequaled record is not difficult to understand when one considers that real estate mortgage bonds are secured by income-earning properties in busy, thriving cities all over the country. Because they are secured by the "basis of all wealth," real estate, that are as sound as the foundations of our national economic and social life.

Yet they should be purchased only from houses with the experience, personnel and character to issue this specialized type of security. By dealing with such houses — and with them alone—investors will continue to say, "I have never lost a dollar in first mortgage real estate bonds." G. L. Miller & Co., Inc., 30 East 42nd Street, New York City. Offices and representatives in principal cities.

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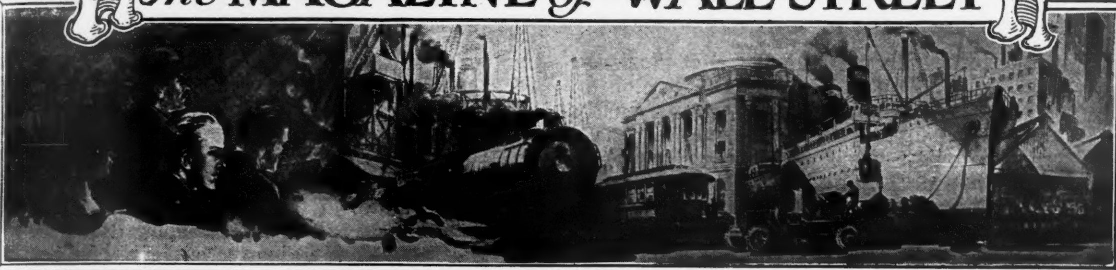
The MAGAZINE *of* WALL STREET



EDITOR
RICHARD D. WYCKOFF

MANAGING EDITOR
E. D. KING

INVESTMENT & BUSINESS TREND

Changes in the Agricultural Outlook—Depression in Sugar—Dividend Increases and Their Place in the Market Cycle—The Market Prospect

THE latest report that several of the leading farm organizations would storm the Washington citadel for the purpose of convincing the President that hardship is again on the farmers may be taken as a sign of recurring unrest among the agricultural population. Making fullest allowance, however, for the natural proclivities of farm lobbyists to make political capital out of a slump in farm prices, there is, nevertheless, something in the situation more than that which meets the passing eye.

In the past few months, the price of corn has slipped gradually and steadily so that it is now at about the lowest in over a year. In cotton, due to a succession of government crop estimates, prices have fallen to their lowest in several years. Wheat alone of the chief staples is holding fairly well though prices by no means compare with the highest of last winter.

These changes, though of some significance, will probably not have an important bearing on the immediate future of business. Fortunately, though prices are comparatively low, the output of all three staples will be sufficiently large this year to compensate farmers at least in part for the drop in price. Their profits, of course, will be smaller. Nevertheless, sufficient wealth has been extracted from the crops this year to warrant the prediction that the decline in price will not at least this year and for a few months next year affect general purchasing power. Of great importance, too, is the fact that due to a succession of two good years farmers have made great headway in liquidating their loans so that from a financial viewpoint they are in a greatly superior position to that of a few years ago. Of course, if next year's crops are poor or prices exceptionally low, the outcome may well be a general reduction of buying power but it is a year too early to make such a forecast. For the present, therefore, despite low prices, the farmers are doing well and, consequently, all the ramified interests dependent on them.

SUGAR INDUSTRY BADLY HIT

WITH sugar prices at considerably below the cost of production, earnings of practically all the important companies have fallen off very considerably. Several have already cut or suspended dividends and such action probably will be followed by others during the next few months. In Cuba, the greatest sugar-producing nation of the world, sugar crops are being burned in order to cut down the available surplus.

Low sugar prices today, of course, are a direct result of a stupendous over-supply of the commodity. While it is possible that adverse weather conditions may tend to reduce somewhat the size of the crop nevertheless the general world situation is such that a cut at this time can hardly make much difference in the price.

Sugar moves generally in two year cycles, that is there are generally two years of large crops followed by one which is small. With sugar-growing now on an unprofitable basis, it is very probable that there will be a great tendency toward cutting down next year's

production. This means, then, that next year may bring about a small crop which of course would bring prices up again. In the meantime, sugar company securities have declined to low levels where they are probably destined to remain until clear indications of the outlook for next year can be obtained.

The above deals with the position of the producers. The refiners, of course, are in a better position as witnessed by the recent restoration of the American Sugar dividend.

BOND VALUES

THE bond market has recently stiffened a bit despite firming of money rates. This seems to be due to a desire on the part of investors who have large profits in stocks to switch to the more stable bond issues and thus play safe. High-grade bonds, of course, as stated on previous occasions in this magazine, offer few opportunities at this time and in fact this may be said of the bond list as a whole. By far the better opportunities are in the more speculative type of bonds which as yet have not sufficiently reflected the improvement in earnings of their companies. Nevertheless, it must be admitted that for those who do not like the stock market at this time, and who prefer to sacrifice yield for stability, bonds, even those of the low-yielding type, are a suitable temporary haven.

DIVIDEND INCREASES

DURING the past few weeks, there have been quite a few announcements of favorable dividend declarations. Some companies have raised their dividends considerably and others are likely to do so within the next few months. High-priced shares have been or will be split into lower denominations than the original.

This is all accompanied by the usual profuse tips of this or that company increasing its disbursement or declaring a stock dividend. In the meantime, speculative issues have continued their climb until some of them are completely out of sight. This reminds us of the 1919 bull market, which suddenly collapsed in November as a result of overspeculation. This market, too, at its tail end was adorned with extravagant forecasts of dividend increases, many of which never materialized. The general economic situation today is, of course, much healthier than that of late 1919 and our prosperity is of a much more genuine type. Nevertheless, it is clear that everything which can be done to stimulate public speculation is being done. One of the oldest baits is the hint of a dividend increase. It need not be repeated that this ought to be a signal for caution for the more conservative type of investor.

The Market Prospect

THE increase in the rediscount rate of the Boston Reserve Bank, which gave the start to as sweeping a one-day decline as has ever been witnessed in the past decade, is chiefly significant as indicating the growing hostility of the Federal Reserve authorities toward the current mania in stock speculation. Conservative banking authorities appreciate the fact that the stock market during the past year has absorbed a huge amount of credit and that continuation of the process would prove harmful to business. Consequently, as indicated by the Boston Reserve Bank's increase in the rediscount rate, the Federal Reserve authorities seem disposed to apply brakes to the market.

Following the violent reaction of Tuesday, November 10th, leadership of the market was assumed by the rails and oils, strength in which, however, has not failed to offset the quiet, careful selling which has been going on elsewhere in the list. Motor shares, in which the bulk of the recent speculation took place, have reacted considerably and are no longer popular from the trader's viewpoint. The same may be said of a great many assorted industrial specialty stocks. Among the principal groups, only the rails and oils, and, to a lesser degree, the steels and metals, indicate higher prices. Speaking for the market, as a whole, however, prices are extraordinarily high and have discounted a great deal of the current and prospective business prosperity.

The careful investor or speculator ought to switch out of issues which have had phenomenal advances in the past year and prepare to transfer the proceeds into others, equally sound in character, but which are selling at reasonable prices. In any event, he ought so to arrange his holdings as to be ready for reactions which are bound to materialize at this stage of the market.

Monday, November 16, 1925.

Playing Tag With the Public's Pocketbook

Coal Strikes as a National Hold-up Game

IT'S about time the public aroused itself to the kind of game played—at its expense—by the coal operators and miners. The basic rule of the game is simplicity itself. It is to arrange for a strike when supplies of coal are high and prices low. Thus stimulated, the public is scared into buying heavily. The coal surplus declines and prices rise. Profits reappear. Operators are now willing to listen to the blandishments of miners for higher wages. Miners are appeased, go back to work. Production starts up again. In a year or two, there is again a big surplus and a strike ensues. And thus the game continues.

In the meantime, the Government busies itself with its little investigations which reminds us that back in President Harding's time, after the last big coal strike, a Fact Finding Commission was appointed but no one has as yet learned what the facts were that were supposed to be found.

The only real sufferer, the goat, in other words, is the dear old public which has been taught to accept with complacency the periodic strikes called (connived at, perhaps) by the coal operators and coal unions. This year, though, both contestants for national disfavor have so over-reached themselves in flagrant violation of common decency and regard for public welfare that the country is likely to rise up and demand immediate Federal intervention and, possibly, nationalization of the mines.

The situation is so critical that it is doubtful that suffering and hardship in many districts dependent on hard coal can possibly be averted once real cold weather sets in. Substitute fuels are now being used more extensively, it is true, but few homes and apartment houses are equipped to burn them and where it is being done, it is at the expense of increasing the fire hazard, not to speak of the annoyance caused the consumer.

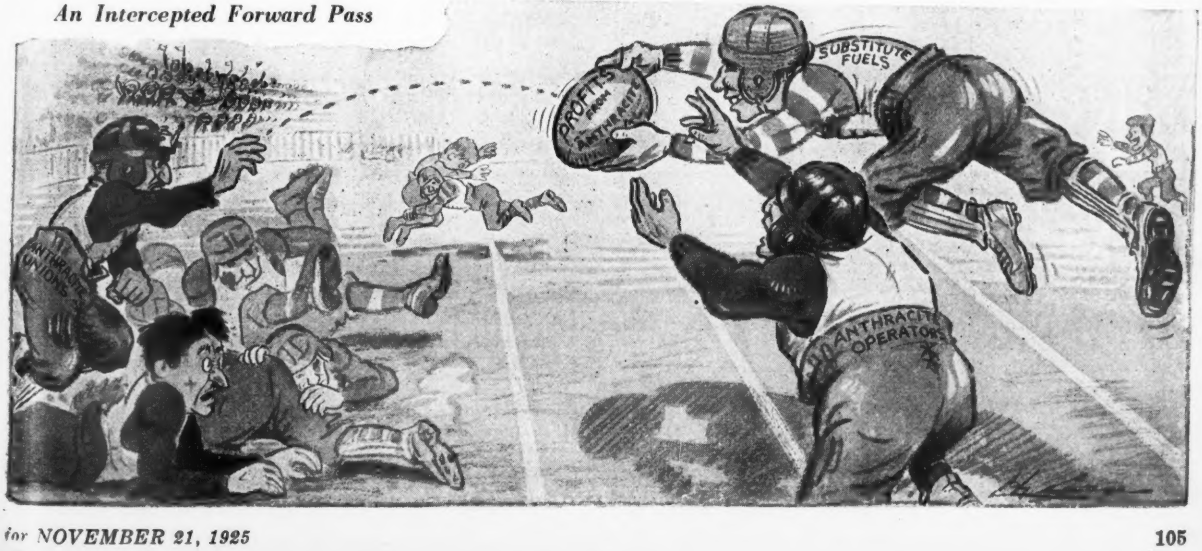
This ought to be the last of our disgraceful coal strikes and it will be if the public wants it to be. Neither the operators nor the miners have shown themselves capable of running the mines without periodically going through an upheaval which cuts off our fuel supply. For this, the public and business pays heavily, too heavily. This time, it is an anthracite strike which endangers the public health. Next time, it may be a soft coal strike which may stop industry and throw millions out of work. Dependent as we are on the source of coal supply, it is obvious that we can no longer afford the luxury of coal strikes. The national hold-up game has continued too long.

It is admitted that the problems of the coal industry, hard and soft alike, are basic. In the final analysis, it is a question of excessive productive capacity. There are too many mines. One fights the other. There is also competition between labor. Union and non-union miners engage in bitter struggles. Right now they are on the other tack and the union miners are trying to win over the non-union miners of West Virginia. Caught between these contending forces, the public plays a losing game.

There would seem to be no other solution than Federal intervention. Thus far, the President has seen fit to take no step to end the strike. He is evidently waiting for signs of public support. He probably won't have to wait long. Already, there are signs of resentment. Before long, public impatience with the situation will blaze up into a genuine conflagration and the President will have to act. If he intervenes, he will probably have to take the mines over.

It is the guess of a good many people that if the mines are taken over this time, they will never be given back and this includes the entire industry. Nationalization of industry does not meet with public favor in this country as indeed it should not, but there are cases where it is the lesser of two evils and this seems to be one of those cases.

An Intercepted Forward Pass



Chasing the Rainbow in Florida

By J. M. HEAD

THE Fountain of Youth, which old Ponce de Leon sought in Florida, proved only a myth. Centuries have gone since the deluded old explorer searched, failed, and passed on to the Greater Exploration. He carried to his grave a vision of a place where bubbling, crystal water invitingly called to the age-worn traveler to immerse in its cooling embrace and thus renew his youthful beauty and vigor.

Florida never produced a Fountain of Youth. But it remained for Florida to do something almost as miraculous. The Peninsular State, pointing its long nose out toward the Spanish main, has provided a kind of El Dorado, another region long sought in vain by the hardy explorers whose childish credulity kept their eyes on the stars, while their feet were treading the trackless wastes of a new continent.

Many Millionaires Made in Florida

Florida probably has made more millionaires in a short space of time than many another state has done in many years. And the miraculous thing about it is that it offered no lure of gold or gems. Its only magnet was what is usually the cheapest and most common of all commodities—land.

No other land speculation in recent years has reached the vast proportions of the Florida boom. Western Canada, in its wildest days of inflated land values, was a veritable "piker" alongside Florida. California never matched. Perhaps old John Law's "Mississippi Bubble" may have had more glamor—the glamor of the unknown—but its basis was far less substantial.

The urge for Florida land—to use the mildest term possible—seems to be largely psychological. Despite the bally-hoo about the tremendous possibilities of Florida; despite the extravagant phrases of highly paid publicity men and copy writers, in newspaper and magazine advertisements, circulars, broadsides, etc., there is nothing new about Florida land. It has been known for many decades as land capable of producing fine crops of citrus and other fruits, and of providing many of the early vegetables which the less

climatically favored sections of the North crave during their own off-seasons.

In the growth of Florida as a fruit and vegetable-producing state, there have been, at times, suggestions of a boom, but they have been sporadic.

Fever of Recent Date

The current Florida fever is of comparatively recent incipience, and the object of attainment under this form of desire—which is the symptom of the fever—is not the land of productive value, but lots and parcels in or near cities or towns whose chief claim for recognition is that they are winter resorts.

All the data concerning Florida that have been and are being used by high pressure salesmen as factors in inducing the usually all too willing prospect to pass over the necessary cash, have long been known, but they never had the enticement that they now possess. It took an era of national prosperity, a period of general extravagance, and a recurrence of the speculative desire, more or less dormant for a time, to create the Florida land craze. One might almost say that it has its counterpart in the tremendous buying movement in stocks in which, for the first time since the war, the public seems to be largely involved.

The Florida land speculation, therefore, is, as I said before, chiefly of a psychological origin. Mental elation, the hope of immediate gain, rather than solid, sober analysis of the value factors, seem to motivate the buyers.

When we read, as we recently did, of one man reaping a profit of nearly $10,000,000 in an auction sale of a few hours' duration, we must inevitably question the substantiality of a condition where this is possible. When another daring promoter can take an island, which cost him $85,000, only part of which was above water, plot it, and sell the lots for $26,000,000, even before all of the projected filling has been completed, one shakes his head and wonders.

"Croakers" Are Unpopular

The most dearly despised man in the world is the iconoclast. The man whose hammer rudely smashes the idols, traditions, or hopes that have inspired or sustained a people, never receives any laurel wreaths from these people. Even when subsequent events seem to justify his action, there always lingers in the minds of those freed from the delusion, the thought that things might have been different if the trend along its wonted course had not been checked or deviated by revelation.

We pay to hear fortune tellers predict pleasant things for the future. If, by chance, this alleged seer should tell of evil days to come, he is a "croaker," a "joy-killer," a sort of Poesque "thing of evil."

Florida is a place of excessive land values, values inflated by speculation. In the final consideration of the value of land there is just one factor—demand. And demand for city parcels and lots which have come first in the Florida scramble for wealth, can eventually be based on one thing and one alone—population. Without population there is no demand, and in the absence of demand values must fall.

What goes up must come down unless something interposes to check the operation of gravity. This is just as true in economics as it is in physics, only in economics we don't call the down-pulling force gravity. We may term it compensatory adjustment or something equally scientific. It is the pendulum swinging back, it is water seeking its level; it is the effort to return to normal.

Prior to 1925, the Florida land speculation was a more or less orderly process. It moved forward in the number of actual transactions and in the total consideration for transfers of ownership—rather rapidly, it is true, but perhaps not unreasonably, in view of Florida's natural advantages. But, in the current year it broke all bounds. It reached its zenith in the summer—the usual off-season for Florida. Speculation boiled, seethed, overflowed and went out of its channel, a wild raging flood. How many it has engulfed no one can tell—yet. It bore many a person on its tossing bosom, to the high ground of safety. These were the ones—to drop the metaphor—who bought, sold—and got out! Those who are still in are as yet uncounted in the list of casualties.

Florida has seen more automobiles in 1925 than it ever saw before. They are coming from every state in the Union. They stream in a long, continuous line over the St. John's bridge at Jacksonville on the east, and through Lake City on the west. They skirt the Gulf coast and they creep down along the ocean front in an unbroken line. South Florida is the general objective, though it doesn't matter much where the in-comers are going. Florida is Florida if one keeps out of the interior. And as the autos come, land values mount.

Vendors of Realty

Real estate salesmen swarm in. Those who are not salesmen change their vocation over night and become vendors of realty. Fabulous tales of wonderful commissions to be earned almost without effort, reach far north, and everybody who can do so rushes south to Florida—the land where one needs not even the simple medium of Aladdin's lamp to make a fortune in a brief time.

Applications for real estate brokers' licenses swamp officials. In Tampa, with less than 100,000 population, there are more than 11,000 licensed real estate dealers. Miami has 25,000, and other cities show equally amazing numbers engaged in purveying real estate.

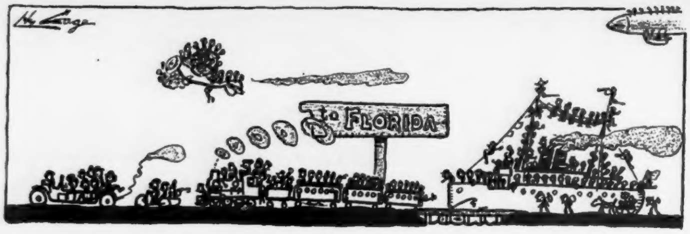
Clerks, mechanics, waiters, musicians, chauffeurs, reporters, white collar men and no collar men (and women too) of all occupations, are crowding into the cities, the towns, the places where real estate developments were under way. They are becoming salesmen, and if they have made a little money they are buying options. They are snapping up everything in sight which they can buy.

Up, up, up, are going land values. Realty and development concerns have grabbed all the choice sites. It is impossible to find places for stores and shops in which to supply the demand for living necessaries. Rents in all the coast towns have climbed to dizzy heights, until small stands in Miami actually rent as high as $1,000 a month—when they can be had.

High Prices

Choice Miami property has sold from $15,000 to $18,000 a front foot. This is higher than Broadway, New York. It is not quite so high on the

west coast, but even there values are enormously inflated. St. Petersburg property has sold for $6,000 to $8,000 a front foot. And one can use the present tense in quoting these prices for such valuations still prevail—unless they have climbed since this article was begun. The present high-priced property in St. Petersburg is land that went begging for a few hundred dollars less than five years ago, and was hard to sell at $1,000 as late as last year.



There are land developments everywhere in Florida, but the fever is greatest in the southern part of the state. Here it is one vast checkerboard of lots and parcels. Many acres of plotted land are still under water, for all of southern Florida is low. New developments are in the making every day. Cities, towns, villages, hamlets—they are all imbued with the same notion of selling lots, parcels, sites. The developer has come down from the North, bringing with him all his tricks, his schemes, his alluring literature, buying up land near cities, along the highways, dry or swampy, and staking it out for the prospective buyer. He knows that the "sucker" birth rate averages at least one a minute, and that frequently there are twins.

A Ready Response

It's a game which the developer and land promoter knows well. He has played it in Canada, in New York, Chicago, California—every place that ever was seized with a realty boom fever. But never has he found the people so responsive as he has in Florida. He finds that the allurement of the Unearned Increment is greater now than it ever was. And he purposes to make much hay while the sun shines on him and his ways.

Much has been heard recently of the legitimate interests in Florida discouraging speculation, of these interests driving out the land sharks and putting Florida realty on a sound, substantial basis. And no doubt much has been done to stop the wild and unreasonable buying and selling. But the bubble is not yet pricked, inflation has not yet run its course. So long as there are people to buy there will be those eager to sell.

An investment man was questioning a land speculator on the wisdom of putting $10,000 into a land venture near Daytona. He said that he thought it would be wiser to buy closer to a region of great natural resources and cited Birmingham, Ala., as a city destined to grow to great power and wealth.

"If you were a practical real estate man," said the speculator, "you would know that it is not easy to buy land in Birmingham."

"Well," replied the investment man, "I would rather wait a year to get a lot in a place where no one wanted to sell than to buy land where everybody was crazy to dispose of their property."

This is the philosophy of sound investment, but it has no part in the make-up of the Florida land buyer. Everyone who gets in feels that he can buy, boost the price, sell and retire before the boom is over. And so the many real warnings by men who know Florida real estate values and—better still—human nature, are not having much effect.

P. O. Knight, lawyer, banker and capitalist, of Tampa, told me that the real business interests of Florida were apprehensive of the reaction and that they were trying to blow off the froth. The Florida Chamber of Commerce is warning prospective buyers of Florida land to investigate, to see the property before they put their money in it. Mr. Knight believes that there is enough real basis for the future greatness of the state without the bait of fortunes to be made over night. He deplores the highly inflated values of Miami, Tampa and St. Petersburg.

"But," said Mr. Knight, throwing up his hands helplessly, "What can we do? When the people

become obsessed, how are you going to check them? So many really marvelous things have happened in Florida that there is a wild notion that enhancement of land values can go on indefinitely. The theory is simple: 'The other fellow bought, sold, and made a fortune. I can do the same thing.' You have a similar condition here in New York with your realty companies and speculators, who buy apartments only to re-sell. And every time the property changes hands the consideration is higher; and rents have to go up to pay for the investment. In Florida, the speculation is a new thing and mostly on unimproved land. The turnover is easier because everybody is buying. But once let buying cease or diminish in volume and there'll be a rush of holders to sell, which will force values down. This would be a bad thing for Florida. That is why we discourage buying without a thorough investigation of the possibilities of the property."

This is the conservative attitude. But, unfortunately, the conservative Floridian is outnumbered by the fortune-mad newcomer who knows neither reason nor caution.

Mr. Knight does not think that the end of the boom is in sight. He thinks it will be worse the coming winter than it was last summer, for the cold weather will bring an influx of those fleeing from the rigors of the north. Where the people will stay Mr. Knight says he does not know, for they are sleeping now in automobiles, in tents, in every conceivable place. Motor cars choke the roads. Unless people are warned to stay away if they have not provided for accommodations, there will be much inconvenience, if not actual privation, for Florida visitors this winter.

Of course, there is a side to Florida which invites favorable comment, and that is, that as a winter resort for the affluent, it has very definite attraction. For those who buy to build winter homes and don't care about the cost, it's probably alright but for the poor deluded investors who hope to make a fortune, it is an entirely different matter.

"Our mother has a fortune waiting for us yonder," said the young hero of Lew Wallace's "Fair God," to his pet ocelot, as he first caught sight of the palace of the Montezumas. All over this great country thousands are turning their eyes toward Florida, the home of the Unearned Increment, and whispering with the yearning of hope long deferred by toil and the struggle for existence: "Our mother has a fortune waiting for us yonder."

It's a charming vision! Just to buy land, see it advance in value by leaps and bounds through no personal effort! Then to sell and reap a reward sufficient for the demands of every possible rainy day! It takes a hardy person, possessed of a few hundreds or maybe thousands, to resist the temptation of that vision.

Florida, "the last pioneer state," as the copy writers so effectively put it, is the sweetest and most honeyed morsel that the real estate promoter ever has been able to dish up. It is far better than the lure of "blue sky" securities, because it has the appearance of being more substantial. Its roots, however, are in the same elemental desire to get something for nothing.

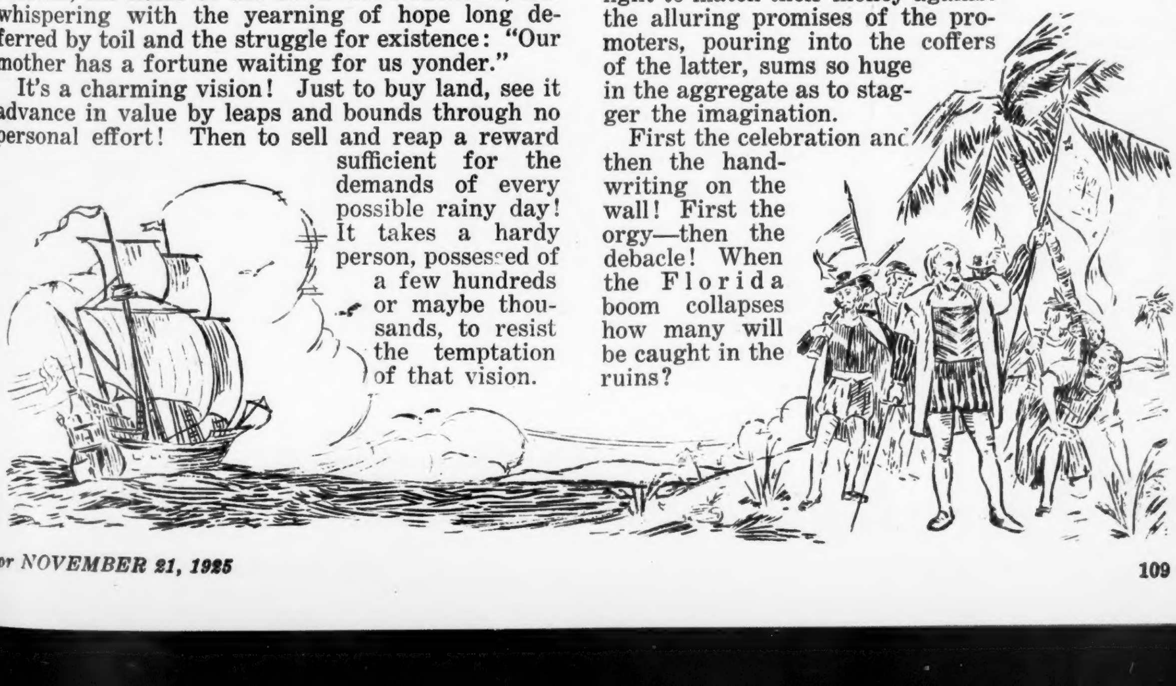
The Florida land boom has become a national problem, if not a national menace. Already it has been placed under severe condemnation by those who have regard for conservatism in investment. The Investment Bankers Association of America will have before it, at its next annual convention, to be held in St. Petersburg, in the very heart of the land boom zone, a resolution urging a "blue sky" law for real estate promoters similar to the various state laws against the sale of securities of doubtful value. Ohio has come to the fore with legislation aimed at the Florida land boomer, stopping land promotions in the state and limiting the overhead expense on any land exploitation to 20 per cent. According to Walter J. Greenbaum, a Chicago investment banker who is planning the drive against land speculation at the convention of his association, the overhead on Florida land speculation has run as high as 60 per cent.

Mr. Greenbaum is quoted as saying that Florida land schemes now being floated over the country involve 20,000,000 lots, requiring a population of about 60,000,000 to sustain them. Florida's present population is about 1,500,000. Allowing for the most unprecedented increase, no man would care to predict more than 4,000,000 in the next ten years. Sixty million within the next generation, and even in miraculous Florida, would, of course, be absolutely impossible.

Still the prospective buyers stream into Florida. The highways through the east Atlantic states, leading to the south, are crowded with motor cars, bound for the land of promise. An actual count at a point in Virginia, of the number of cars, Florida bound, that passed within an hour, totaled 294. The report said that the cars were generally loaded with baggage, bedding, tents, and household accoutrements.

The trek into Florida continues. Still the autos move across the St. Johns bridge at Jacksonville and through Lake City. Still the ardent "suckers" fight to match their money against the alluring promises of the promoters, pouring into the coffers of the latter, sums so huge in the aggregate as to stagger the imagination.

First the celebration and then the handwriting on the wall! First the orgy—then the debacle! When the Florida boom collapses how many will be caught in the ruins?



After the Closing

Some Real Insiders Express Their Opinion Upon Markets in General and the Present Market in Particular—The Stock Ticker's Unprecedented Burden and Some Practical Suggestions

By BARNARD POWERS

BOTH hands rigidly upright, like a soldier at "present arms," the Western Union clock on the wall of the brokerage office of Clark & Cooper pointed to midnight. It was the Magic Hour.

As befitting the dean of the office, the Bull, whose mounted head hung on the wall opposite the clock, called the meeting to order. Time and dust had grayed the curly, white frontlet of the Bull, but his glass eyes gleamed as fiercely as those of the Bear at his left, and his short horns still swept uncompromisingly upwards in the belligerent curve which they had held for upwards of forty years.

"Gentlemen of the Clark & Cooper Mutual & Benevolent Association," the Bull's deep voice boomed like thunder in a mountain glen, "We are assembled as usual for our midnight hour of discourse. The meeting will please come to order. Are there any grievances to be presented?"

For a moment silence held. Then the Stock Exchange Ticker began to chatter. He sputtered so fast and confusedly that it was difficult to follow his words. As he rambled he spewed yard after yard of white tape, like an angry spider.

"—'Nuf is enough—'taint right—I won't stand it—not a quotation longer. Nearly three hundred and sixty million shares—count 'em—and two months of the year yet to come—million share days as common as margin calls in a twenty point break—two million share days—fourteen of 'em—in a row—forty-two and a half minutes behind at closing—ME—official ticker of the ancient and honorable New York Stock Exchange —who have always prided myself as being on the last quotation at the tick of 3—what do they think I'm made of—I'll quit 'em cold —that's what I'll do—I'll leave 'em flat as a piker's bankroll—" and the ticker trailed off into unintelligible gibberings.

"You have the floor, state your case succinctly," rumbled the Bull.

"What's needed is a good old-fashioned panic," broke in a rasping, guttural voice. It is a little difficult to understand the Bear owing to the fact that his jaws are forever widely extended, which, with his gleaming fangs, give him an aspect of unquenchable ferocity. "Something like the Northern Pacific Panic of 1901 when the irresistible Harriman met the immovable Morgan. Or when the Lusitania was sunk 'spurlos.' There's blood-letting for you. Nine point breaks between sales. The Floor of 'Change a squirming mess of clawing, screaming, sobbing devils. Traders dropping dead from heart failure or shooting themselves in taxicabs. Buying diamond bracelets before the opening and selling their country places after the close. Millionaires at ten o'clock and beggars at three. Call money at ten, twenty, thirty, fifty per cent and none to be had at any price. Bargains everywhere and no one to buy—ah-h-h," and the Bear inhaled as though the very words were savory on his lips.

"You are altogether too blood-thirsty, Mr. Bear," said the Bull, sternly. "You remember that the first J. P. Morgan once remarked that anyone who is a consistent bear on the United States is bound to go broke. You and I have met on numerous occasions, with occasional successes on your part. But I think I may say without egotism," the mildly, complacent voice of the Bull belied the frosty stare of his eyes, "that on balance my record does not suffer in comparison."

The Bear winced. "Nevertheless," he growled under his voice, "what goes up, comes down. If not sooner—later."

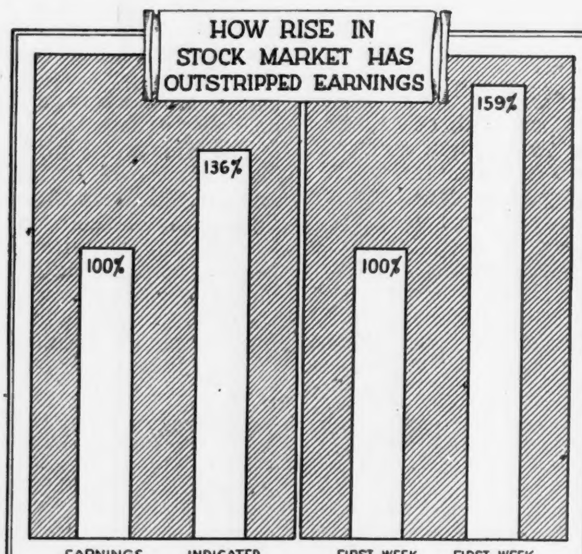
"It's not so much the volume of work, though Heaven knows I am loaded to the last dash," resumed the Stock Ticker, speaking somewhat more calmly, "It's the fact that now I have to submit to the humiliation, when I am behind, of announcing that fact to every gooping, ten-share ticker worm."

"How is that?" queried Benvenuto Cellini, the office cat, leaping lightly to the broad, round lap on which the Ticker rested.

Although Benvenuto was only an ex-officio member of the Benevolent Association, not being connected with the Stock Exchange, his sharp claws performed invaluable services in keeping the office clear of rats and mice and he was welcomed at all meetings. His feline tact, no less than his handsome and debonair appearance, of which he was entirely aware, had earned him the good will as well as the admiration of all the members. As he sat, gracefully polishing the patch between his eyes with an inky paw, he looked for all the world like a lithe but diminutive panther done in black jade.

"You must know, Ben," began the Ticker, mollified to have an interested listener, for like all members of his tribe, the Ticker was inordinately vain, due perhaps, to the fact that from 10 A. M. to 3 P. M. each day he is the cynosure of all eyes, "that the present market is nothing like anything man has ever seen. In the old days, it was a comparatively rare thing for me to be behind in my quotations. When anything like that happened it was talked about for days. But this year has distanced anything that has gone before. Not only in prices but in volume of trading, not excepting the great, 'war-bride' markets of 1915-1916 and 1919. All previous bull markets were but waves on the sea of finance. This is a tidal wave, a typhoon.

"Think of it! Over a thousand different stocks are now listed on the Big Board!



The above graph illustrates the rise in the average quotation for 40 common stocks (rails excluded) from the first week of November, 1924, to the same week this year. It is clear that while indicated earning power per share has risen by 36%, thus showing that we are prosperous, this gain has been more than discounted by a rise of 59% in stock prices. The list of stocks selected covered every major industry.

There is scarcely a record which has not been riddled this year. Here it is, early November and transactions have totaled nearly 358,000,000 shares. And nearly two months still to come. The previous full year's record was 320,000,000 shares for 1919.

"We have had no three million share days, as yet, to be sure. There was one in the Northern Pacific Panic of 1901 and another in 1916. But we have had 174 million-share days, including six million-share Saturdays, and thirty-one two-million-share days, of which fourteen have been consecutive and are still unbroken. Any time we are likely to jump into the three-million-share class. I tell you my bearings are about burnt out and my nervous system shattered. One of these fine days I'm going to quit, stone-dead, right in the middle of a boiling market."

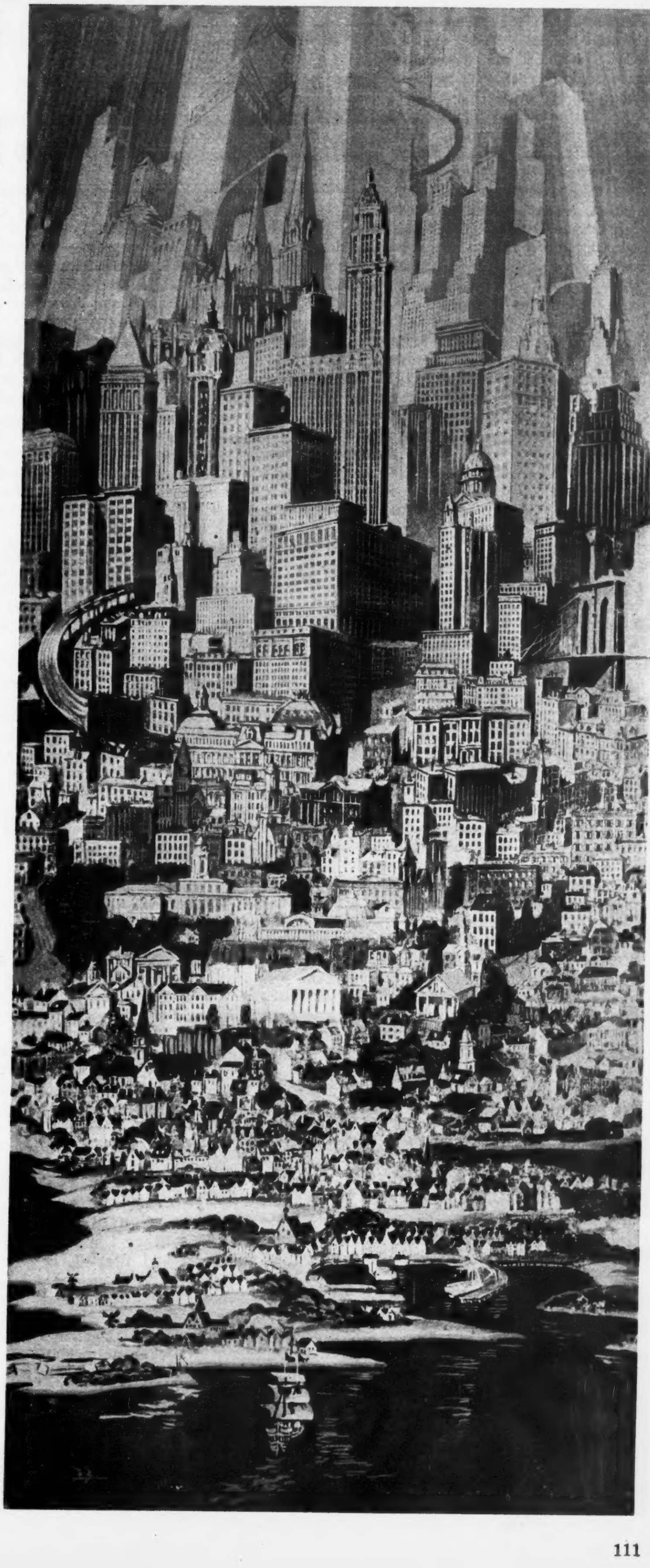
"I quite sympathize with you, old top," remarked a voice with a carefully cultivated, English accent. "My work is, ahem, what shall I say, perhaps not so exacting, reporting, as I do, bonds and not mere shares. But there have been many times of late when I have seriously raised the question whether a gentleman of my birth and upbringing should be called upon to labor so, ah, unintermittently."

It was the Bond Ticker who spoke. Although known to the Street for only a few years he felt himself above the others socially and gave himself certain airs on that account.

"If I may be permitted to say a word, and with all respect to those present, you gentlemen have much to learn in the matter of speed." The speaker was an oblong, mahogany box about three feet high. A curving glass front at the top protected the moving parts of the machinery behind the glass. From the edge of the glass a wide sheet of paper hung down like a prehensile tongue. The electric page ticker, as it is officially known, supplies Wall Street with an uninterrupted stream of news from eight o'clock in the morning until four o'clock in the afternoon.

"Now you, Stocky," continued the News Ticker, "are operated by master machines which eat up an endless roll of metallic tape like electric piano-players. I understand that the tape is punched with hundreds of little holes, in infinite combinations, by operators stationed at several positions on the Floor of the Stock Exchange where they receive the reports of purchases and sales from the Floor pages. Each combination of holes represents a letter or a figure. The sending machines are linked up on one circuit, so that only one at a time can operate. When one of the sending machines switches out, another switches in.

"Very neat, I'm sure, but with me it is different. I am guided by one operator who sits at a keyboard resembling the enlarged keyboard of a typewriter. Not only do I print rumor and fact of the financial district but also news from all over the world. City News, Western Union, Associated Press, all the great news-gathering agencies of civilization are my vassals. And all of you dance



60-foot high painting on silk, of the growth of New York by Willy Pogany, for the Ter-Centenary Pageant of New York at John Wanamaker's.

to my piping. A story, to which the *Times* gives eight columns, I boil down to as many lines. I am the great impressario and the market sways to my music.

"I announce a tornado in Kansas and the Granger lines get chills and ague. Judge Gary speaks and the market leaps like a hound from leash. I voice a half formed rumor which comes stealing down the financial canyons like a fog at sundown and lo! Smelters drops like a damned soul. With a flick of my printing wheel I make a fortune or snatch it away.

"Talk about speed, why the reporters on the rival new ticker organizations are as jealous of each other as a bunch of operatic stars. You ought to be present at a Steel directors meeting for once. Each reporter is there with an assistant keeping a telephone line open to the home office. The Secretary emerges from the meeting with his hands filled with typewritten flimsy. In a flash they are upon him like wolves on a stag. Each reporter seizes a copy and dashes down the corridor. Before the directors have got into the elevator the news of Steel's latest dividend is being read in Chicago. Why I have known a hardened financial reporter to weep like a baby because he was beaten 37 seconds on the announcement of an extra dividend on Steel common."

"Sure," growled the Bear, "And if I had a dollar for every mistake you made in the last six months I would buy the Stock Exchange and close it up."

"I don't claim I never make mistakes," retorted the News Ticker with heat, "but if you worked with the slipperiest things in the world—figures—on a split second basis—"

"Say, you guys make me sick," interjected the harsh, guttural tones of the Curb Ticker. Newest of the members and with little claim to gentle birth, he displayed at times the arrogance of youth and that disregard for older heads and hoary traditions, peculiar to the young. "Look at me, official announcer for the New York Curb Market Association, largest secondary market on earth. Though why they call it a secondary market I never could quite see. Bonds and stocks look alike to me for I handle them both. But you don't hear me yowling that my tape is half an hour behind the Floor. No siree, not your little Curby."

At these bitter words the inking roll of the Stock Ticker began to spin angrily. It was evident that the News Ticker's reference to player pianos and the sarcasm of the Curb Ticker had bitten deeply. With rare discrimination the Western Union clock interposed to prevent a clash. As he was operated electrically, he spoke with frequent halts in his otherwise precise speech. This gives the impression that he is always slightly under the influence of alcohol. As a matter of fact he is one of the most temperate and methodical individuals in the world.

"Since you were not born at the time you,—hic—cannot remember, Curby, that it was only a few years ago that the Curb market was only—hic—a collection of persons standing about in Broad Street. In the early days the cops used to chase them from one place to another like peanut sellers. And the way they used to wig-wag their—hic—purchases and sales to their little offices in the old buildings, like rabbit warrens on each side of the street, would have made a sphinx giggle. There was one stock called Raven—hic—something or other. Raven Copper, I think. The accepted manner of expressing the name "Raven" was to flap ones arms up and down violently, like a rooster about to crow."

Mortified at the titter which ran around the circle, the Curb Ticker could find no words with which to reply. It was Benvenuto, the cat who, as usual, poured oil on the troubled waters.

"There is much in what each of you say," he purred in dulcet tones, comfortably wrapping his forepaws under him. "Of course, I have had nothing like the experience and consequently lack the matured wisdom of you Mr. Stock Ticker and you Mr. News Ticker," he indicated each with a slight inclination of his sleek head. "But I think you, gentlemen, will agree that my opportunities for picking up information are—what shall I say—somewhat exceptional. Consensus of opinion seems to be that the present market has laid a burden upon our financial system which is almost insupportable. Why only this morning I heard Smithers remark that something must be done. You know he is our biggest customer and thinks no more of swinging a line of 20,000 Steel than I do of lapping up a saucer of milk. But you were on the point of mentioning, my dear Stocky, some method whereby you are forced to call attention to the fact that the tape is behind."

"I don't mind so much being operated in a manner resembling what my friend Newsy terms a piano player," replied the Stock Ticker, "Although at the very thought of anything like that my venerated father and grandfather would have had fits. I, however, belong to a later generation. I trust I fully recognize the modern need for efficiency.

"Few persons realize that the changes in ticker abbreviations, which have been so frequent of late, are based on the result of the most careful and scientific calculations. In giving a symbol to a stock, the idea is not only to give a symbol which suggests the name of the stock, but one which I can print in the ***shortest possible time.*** For instance, I can print the symbol ABL a fraction of a second quicker than the symbol ABZ. Why? For the simple reason that the letter L on my printing wheel, is nearer to A and B than the letter Z. A trifling matter you may think, gentlemen, but you would be surprised to find out how many minutes those saved seconds total in the course of five hours.

"Although we have economized to the last degree it is not enough. So now, when I am behind, I am obliged to indicate the fact by printing two dots behind every fourth or fifth symbol thus—X. . And then every ten share trader in the office takes it upon himself to go crowing triumphantly around the place, 'The ticker is behind, the ticker is behind,' clucking and smirking as though the answer to the problem of existence had been discovered."

"Very annoying, I am sure," observed the Bond Ticker politely.

"A little phlebotomy is all that's needed," coughed the Bear. "Smash 'em, rip 'em, give 'em a hundred point break I say. You should have seen the Gold Panic. I saw that little rascal, Jay Gould, sneaking down Exchange Place that day with his whiskers covering everything but his beady eys. What you could see of his face was the color of bleached chalk. Good reason, too, for there were many who would have swung him off a telegraph pole if they could have laid their claws on him. But who wouldn't risk a little scare for the millions he cleaned in that terrible time?"

"The other day I heard our floor trader, Wooley, remark that a duplex ticker might solve the problem," said the cat, disregarding the utterances of the Bear. "He said a ticker could be rigged to work on a wider tape with two sets of quotations, both coming over a single wire. That as you perceive, Stocky, would minimize your labors without diminishing the importance of the position which is rightfully yours. The main trouble, of course, arises from the fact while everything else in the world has advanced tremendously, the system of printing market quotations is substantially the same as it was half a century ago."

"With all deference to the older members of this association," interrupted the Bond Ticker, "I must confess that it is fairly obvious to me that the time is not far distant when there will be many tickers in addition to the three which now carry the market load.

"I do not think it requires a great stretch of imagination to visualize the time when there will be, in addition to the present equipment, a rail ticker, a public utility ticker, an oil ticker and perhaps a mining and metal stocks ticker. Unless, that latest and perhaps greatest of all scientific inventions provides a solution to the whole problem such as is not even guessed at now. I refer to the radio."

At that dread word an icy silence fell upon the the office. Had the Bond

(Please turn to page 162)

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Gyrations of General Railway Signal

Based on a Contract that Interstate Commerce Commission Is Investigating.

IN our issue of November 7th, page 70, we advised our readers who still held stock of the General Railway Signal Co. to take their profits. At that time the stock was selling close to $400 a share for the old stock, and $80 a share for the new. We stated also that in our next issue (which is this one), we would announce our reasons for this recommendation.

The question: When is a stock worth $400? may appropriately be asked in this instance. Other queries, such as, Why did the stock advance to such heights? and who put it there? also seem pertinent. The public inference is that a pool of insiders did the trick. Naturally, insiders claim that such is not the case. They say, "We fought the advance."

How do insiders fight an advance? By selling a lot of stock? Or do they come right out flat and say, "This stock is too high; there is no ground for such an advance. This contract with the New York Central has been overrated." Did they say any such thing? Not that we can ascertain.

General Railway Signal stock early in 1925 was selling over-the-counter at a little over $100 a share. Why did it quadruple in value, or more than that, allowing for the rights which were issued a few months ago? We can find no good reason. The foundation of this rise was apparently the contract which the General Railway Signal Co. closed with the New York Central Railroad, amounting to between $3,000,000 and $4,000,000 gross, in which the profit is estimated at less than $1,000,000. Applying this to the 325,000 shares of capital stock now outstanding (after the conversion of the bonds, the rights to subscribe to new stock at $300 a share, and the split up of five to one) we find that *if* this contract be consummated it will, combined with other earnings, result in perhaps $5 per share now earned on the new stock.

Whether the Interstate Commerce Commission will permit the New York Central to go through with this contract, cannot be forecasted. We present herewith Interstate Commerce Commission order No. 13,413. That part of the first paragraph which relates to the Clayton Antitrust Act which is claimed to have been violated, apparently refers to the question of interlocking interests between the Railroad and the Signal Company.

In order that the layman may have the background for this situation, we must go back to 1920 when Congress approved a bill which, although turning the railroads back to private control, retained for the Interstate Commerce Commission the mandatory power to order automatic train control whenever in its judgment it is justified. The power thus conferred was limited in character, and as the commission was reluctant to direct wholesale installation of equipment without further development and knowledge of its operations, the cooperation of the railroads was invited and a committee appointed by the American Railway Association in cooperation with the Bureau of Safety.

Owing to the slow progress made by that Committee, the Interstate Commerce Commission, in January, 1922, directed forty-nine railroads to show cause why orders should not be issued to begin and complete within specified time limit, installation of automatic control. Public hearings were held; the railroads presented their objections, and as time went on the commission insisted upon carrying out its original intention, which was that the roads should, without unnecessary delay, proceed with the installation of automatic train control of some character.

The Sprague Safety Control & Signal Corp. being one of the most prominent of these, had previously equipped and established in full working order, a test installation at heavy expense on the Electric Zone of the New York Central, which had been endorsed for extended installation by the Interstate Commerce Commission, and later it installed train control apparatus on certain divisions of the Great Northern, Northern Pacific, Chicago, Burlington & Quincy and Monon railroads, and was invited to equip part of the Mohawk Division of the New York Central with its intermittent inductive system in competition with the continuous systems of its competitors on other divisions. It was inferred that if the result was satisfactory, further sections of the New York Central would be similarly equipped, and during the month of June, this year, the Sprague equipment was undergoing a series of tests under the supervision of the Interstate Commerce Commission.

Having risen from 110 in April, to 140, the stock was, on June 11th, listed on the New York Stock Exchange. Within a few days its price rose nearly to the 180 mark, and after reacting 15 points or more, hovered around 170 to 175 until July 10th.

On July 31st, the Interstate Commerce Commission made its report of the Sprague tests. Seven days later the announcement was made. The stock had, by then, risen to around 240. It immediately

(Please turn to page 168)

INTERSTATE COMMERCE COMMISSION

No. 13413

IN THE MATTER OF AUTOMATIC TRAIN CONTROL DEVICES

ORDER

At a session of the INTERSTATE COMMERCE COMMISSION, Division 1, held at its office in Washington, D. C., on the 27th day of October, A.D., 1925.

It appearing, That by complaint filed by the Sprague Safety Control & Signal Corporation by its President, Frank J. Sprague, it is alleged that the automatic train-stop or train-control device of the General Railway Signal Company selected by The New York Central Railroad Company for installation upon its line of railroad under orders heretofore entered in this proceeding is inherently unsafe under the operating conditions obtaining upon the said railroad and, in particular, in its use of a manual control or forestalling feature incorporated as an essential part thereof; and that it is further alleged that in the transactions had by The New York Central Railroad Company with the General Railway Signal Company in connection with the selection and purchase of the said device section 10 of the act of October 15, 1914, known as the Clayton Antitrust Act, has been violated;

It is ordered, That copies of the said complaint be served upon the New York Central Railroad Company and the General Railway Signal Company;

It is further ordered, That this proceeding be, and it is hereby, reopened for further hearing and for the entry of such order or orders as may be proper with respect to the matters set forth and contained in the said complaint;

And it is further ordered, That this proceeding be and it is hereby, assigned for hearing at the office of the Interstate Commerce Commission at Washington, D. C., on the first day of December, 1925, at 10 o'clock a.m.

By the Commission, Division 1.

GEORGE B. McGINTY, Secretary

(Seal)

Mexican Pact Gives American Investors Long Awaited Opportunity

MEXICO, after Canada, is that country into which the most American money has been invested. Perhaps the richest country in the world in proportion to area, its gigantic mineral and petroleum wealth have been singled out for extensive exploitation. A considerable part of the assets of these two leading groups on the New York Stock Exchange is tied up with Mexican conditions.

The great hydro-electric possibilities of this mountainous country have especially attracted Canadian enterprise, but lately we have become more important. We have always dominated the National Railways of Mexico; the English controlling the remainder of the systems. Gigantic investments have been made by the Southern Pacific in western Mexico for the purpose of opening this market directly to the American producers. The accompanying table gives an idea of the scope of our investments in the resources of our southern neighbor.

While our nearness to Mexico opened up the country to our enterprise, our corporations were perhaps the least popular. Germans and Frenchmen, on the contrary, easily obtained a primacy in the affections of the Mexicans, which greatly redounded to their competitive advantage. Our investments were begun in the time of Diaz, the dictator. His overthrow was, therefore, not altogther welcome to Washington. A curiously vacillating policy on our part, alternately threatening, intervening and withdrawing, exposed us to contempt. Revolutionary bands, with impunity, plundered our payrolls, held superintendents to ransom, and in every way made the American investor feel that he had seen the last of his money. Yet along the coast, simultaneously, by local arrangements with private chieftains, petroleum enterprise grew while mining, railways and public utilities declined. But here, too, dividends were subject to the caprice of brigands.

But the wealth of Mexico was too tempting to leave unexploited. American capital invested in Mexico grew despite all disorders. Far-sighted Mexicans saw that if this were the case their country might be converted into a powerful nation by American capital if conditions could be made attractive. The bone of contention was Article 27 of the Constitution of 1857, which, dictated by a revolt of peons, has forever secured land ownership and sub-surface rights in Mexico to Mexicans, and has excluded foreigners from such ownership.

The maintenance of Article 27 was a cornerstone of radical politics in Mexico, and radicals have been consistently in the saddle since the overthrow of Carranza. All American corporations, accordingly, formed Mexican subsidiary operating companies, but this subterfuge, while legally compulsory, was not construed to negate the provisions of Article 27. But a middle way was found in 1922 and the Lamont-de la Huerta agreement came into effect. Oil export taxes—practically Mexico's compensation for waiving Article 27, were to be applied to the service of her foreign debt. National Railways of Mexico, and all its subsidiary company bonds were to be incorporated, in effect, with the national debt, although private management was to be restored. There were many complex provisions of this agreement, never better analyzed than in the September 30, 1922, issue of THE MAGAZINE OF WALL STREET, page 826.

In January, 1924, the Mexican government defaulted in service under this agreement. To complicate matters all the more, a Socialist candidate, Senor Calles, was elected to the presidency. Deep-seated American suspicion of Mexican unreliability became confirmed, and the horizon again darkened for our investors.

Unexpectedly, this Socialist government proved to be the most amenable to reason of any yet encountered. It immediately made overtures towards the Bankers' committee in charge of the American end of the agreement. These overtures finally resulted in a modification of the Lamont-de la Huerta agreement, and on October 23rd last, the International Committee of Bankers announced the formulation of this readjustment. It is subject to action by the Mexican Congress and the bondholders possessing both National and National Rys. of Mexico bonds. Affirmative action is expected from both.

Although defaults have occurred in 1924 and 1925, it is arranged that these defaults are to be made up from 1928 to 1935, as additional payments over and above debt service under the agreements.

This last arrangement seems to be the most effective yet made. Since Calles and his cabinet are Socialists, and as no more radical government can come into power, this modified agreement appears to be rock-bottom.

Separation of *National Rys. of Mexico* debt from the National debt is the principal feature. In compensation, National Rys. of Mexico will be put under private management as soon as January 1, 1926, and the government agrees to recondition the road immediately, so that the National Rys. of Mexico will be enabled to undertake profitable operations and pay interest charges on its funded debt. Its oil properties are to be segregated under a subsidiary company and are not directly affected by this agreement.

While, therefore, losing their status as a government debt, the National Railways are perhaps better off, as profitable private management is a better guarantee of interest and principal payments than any other provisions. That the bonds should enjoy a better rating soon seems clear, and from a purely speculative viewpoint, the preferred stocks are strengthened. Certainly they operate in a growing industrial and mining territory, and what is called the "secular trend" or growth merely by reason of lapse of time, ought to make them highly attractive long-term speculations.

In the case of *Southern Pacific*, it is political stability, and gains in American mining production due to greater security, that from now on will begin to justify its Mexican investments.

Apart from increasing security, and a more satisfactory labor situation, public utility stocks of Mexican companies ought to show a marked improvement owing to the disposition of the present government to pay for services it has itself received in the past. In the case of *Mexican Light & Power*, such payments would convert the bonds into really high-grade investments, and make the senior stocks

a profitable speculation. It is understood that the Mexican government will settle in full. Provincial and municipal authorities are also showing a disposition to settle. As for telephone and telegraph companies, freedom from disorder is especially important for keeping their long drawn-out communications system intact.

Mining and Oil companies are in an altogether different position. They are immediately affected by Article 27. There can be no question that Calles must show the Mexican people that he has received an adequate consideration for the modified agreement, and that Article 27 will be this acceptable equivalent. So far as the oil industry is concerned, however, the export tax on oil is already levied to meet this claim, and it is doubtful whether any adverse practical consequences will follow.

It would not be amiss, however, to say that the oils will, on the whole, benefit least by this settlement. Oil companies, rather than mining companies, have always been targets of attack by Mexican agitators. Cerro Azul No. 4, the well that produced its whole cost in the first day, and was "velvet" thereafter every day for twenty years or so, rankles in the Mexican imagination. But this species of wealth has already borne all possible attacks, and present relations are friendly. Certainly an immense amount of money is being expended on exploration work. In one case (*Marland*) an empire seems to have been given over for exploitation.

When all is said and done, however, no class of Mexican enterprise stands so much to gain from a definite political and social situation as do the mining stocks. Mining is not usually a source of bonanza wealth; and the large capital investments, the years of development and the comparative moderation of the gains, when all failures are taken into account, have resulted in mines not being such an object of popular hatred. On the other hand, whether on the border or in the interior, no class of American investments have suffered so much from brigandage. Gold and silver are in themselves perfect plunder because they can be distributed to a band of soldiers as pay. Hence Mexican mining men have shut down operations considerably, and there is little doubt that the near future will see a boom growth in the industry comparable to that under Diaz in 1900-1910. They do not consider Article 27 as beginning to approximate in importance the gains to be obtained from the new attitude of the Calles government.

It seems from all this that American investors with interests in Mexico should be heartened by the recent turn of events and that they may reasonably expect in due course an adequate return on such investments, where efficiently managed. In other words, Mexican securities of the better grade and American securities, largely dependent on properties in Mexico, should attain an increasing degree of stability.

Mexican Securities Directly Affected by Debt Agreement

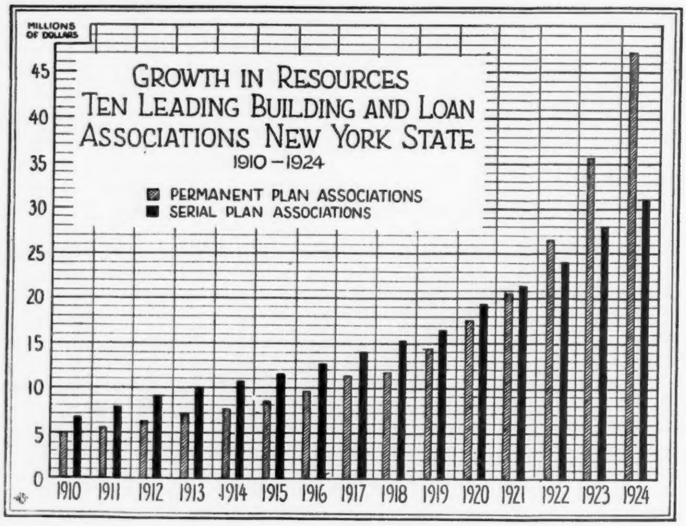
	Recent Price
Mexico ext. 5s 1899	40
Mexico ext. gold 4s 1904	22
Mexico ext. Assented 4s 1910 (large)	26
Mexico ext. Assented 4s 1910 (small)	23
Mexico, Treasury 6% Sterling Notes	40
Railroads	
National Railways of Mexico 1st Pfd	6
National Railways of Mexico 2nd Pfd	2½
National Railways of Mexico General Mortgage 4s 1907	21
National Railroad of Mexico p. lien 4½s 1902	30
Vera Cruz & Pacific R.R. 1st 4½s 1904	25
Pan-American Railroad 1st 5s 1903	9-18

Companies which may benefit from agreement

Mexican Northern Rys	Small road, principally mineral carrier, 81 miles.
Southern Pacific	1,248 miles. Provinces of Sonora, Sinaloa, Jalisco.
Public Utilities	
Mexico Tramways	Canadian Company. Subsidiaries include Mexican Lt. & Power. Recent British recognition of Mexico has changed legal status. Controls public utilities in Central Mexico.
All-America Cables	Controls Mexican Telegraph Company.
Mexican Tel. & Tel	Serves population of 1,000,000 and has 5,000 stations.
Mexican Utilities	Succeeds Guanajuato Power & Elec. Co., operating in States of Guanajuato and San Luis Potosi.
Mining	
Ahumada Lead	Chihuahua properties. Production gains made in spite of unsettlement.
American Metal Co	Large Lead and Silver interests. Excellent position in German market.
American Smelting & Refining	Mines in 7 Mexican states. Political restoration may mean 2.5 million tons ore production annually.
Amparo	Mines in Jalisco. Recent increase of interest especially in Philadelphia.
Anaconda	Mainly interested through ownership 6 millions stock of Greene Cananea.
Boleo (Debenture 8s)	Rothschild interests. Debentures were floated here.
Canario Copper	Operations in Sonora. Speculative foot-ball.
Carnegie Metals Co.	Cananea territory. Pittsburgh Stock Ex.
Dolores-Esperanza	Large Gold mining company—deficit in 1921. N. Y. Curb Market.
Greene Cananea	High-cost producer, considerably affected by political disturbances.
Lucky Tiger-Combination	Gold Company. 2 millions invested. Sonora Property. Profits about a million a year.
Mex.Nor. Mining & Ry. Co	Principally Silver. Chihuahua property. Investment estimated 7 millions.
Howe Sound	Owns "El Potosi," one of the greatest Lead and Silver mines in Mexico.
Phelps-Dodge	Owns Moctezuma, one of the greatest copper producers in the world. Sonora.
San Toy	Lease to Am. Metal runs to 1927. Losing proposition.
U. S. Smelting & Refining	Pachuca district, one of richest in Mexico, is controlled by this ably managed company.
Oil	
Standard Oil Group	
Standard Oil of New Jersey	Operates in Panuco-Huasteca districts.
Standard Oil of California	Exploration work on 61,500 acres.
Standard Oil of Indiana	Controls Pan-American Petroleum.
Atlantic Refining	Controls Atlantic Lobos, with 120,000 acre leases.
South Penn Oil	Controls Penn-Mex. Fuel, Tuxpan district, Salt Water losses, declining earnings.
Imperial Oil	Subsidiary of S. O. of N. J., in turn controls International Pet., the Mexican operating company.
Anglo-American	10,000 acres in Vera Cruz state.
Mexico Oil	Agreement with Pan-Pet. for disposal of output extended to 1927.
Marland Oil	Exploration rights in 15,000,000 acres in Sonora and 300,000 in Panuco district.
Mexican Seaboard	Contracts with S. O. of N. Y., Sinclair & Royal Dutch, totalling 60,000 barrels annually.
Gulf Oil	Developed properties but emphasis on exploration.
Texas Co.	50,000 acres in Panuco and Light oil fields. 1,500,000 barrels per annum.
Royal Dutch	Mexican Eagle properties; holding company paid 75 millions therefor.
Sinclair	Mexican corporation supplements production by purchase contracts.
Cities Service	A Doherty property, controlling Mexican holdings through four Mexican Corporations.
Pierce Petroleum	Large refineries at Tampico and Vera Cruz.
Atlantic Gulf & West Indies	Atlantic Gulf Oil, subsidiary company, large factor in Eastern field.
Pan-American Western	Doheny property remaining after disposal of Pan-American Pet. to Standard Oil interests.

What is the Real Cost of Borrowing From Building & Loan Associations?

A Comparison of Costs—B. & L. Certificates as Investments



IN THE MAGAZINE OF WALL STREET, Building and Loan Associations have been consistently recommended as an ideal beginning for investors, whenever carefully chosen. It would not be too much to say that this magazine has in a large measure contributed to the growth of their popularity among groups of investors not previously interested.

The merits of such associations are obvious. They enable small home owners to borrow money for home building and thus realize their aims. Mortgage companies on the contrary, look askance at such small loans. The Building and Loan Association will lend on mortgage, say, 65% in conservative states and 90% in less conservative states, on the least valuable homes. Home owners would be fortunate to obtain even 45% on such loans from the straight mortgage companies. Usually the latter will not make such a loan at all.

The principal advantage, however, is not so much in being helped to build one's home, as it is in the elimination of heavy second mortgage charges. Where a mortgage company loans less than 50%, the borrower is compelled to seek a second mortgage. On small homes, such accommodation rarely costs less than 12%. Not infrequently, it costs fully 20% or over. It is always terminable in three or five years, usually three. It is upon this saving in interest rates, and in burdens at the beginning of home-owning, that the superiority of Building and Loan Associations is founded.

Furthermore, a Building and Loan Association is a specialist in amortization. That is, whereas, on small loans, the borrower is required to pay the principal amount of his mortgage at its maturity, under the amortization plan he pays annually a fixed sum, part of which is credited to interest and part of which is applied to reduction of the mortgage. Every year interest becomes a smaller part of this fixed sum, and the reduction of the mortgage, a larger part.

Hence, without almost feeling it, the mortgage is paid off, and the maturity date is not looked forward to with fear. There is also avoided the great expense of substituting a new mortgage for the maturing mortgage, when funds are not available to retire the old mortgage.

The merit of this method is shown by its almost universal adoption by the larger mortgage companies when dealing with large loans. For some reason, they have not seen fit to use this method in connection with small mortgages. Building and Loan Associations can have no other method of repayment, if they are to remain financially sound.

Considered from the investment angle, building and loan certificates, alone among all pure investments, have the merit of systematic, and in some cases, of compulsory savings. True, life insurance policies also compel savings, but they have other purposes than mere investment. The only possible competitor is the rapidly spreading custom among large brokerage houses of selling high-grade securities on a partial payment plan.

Plans Vary Throughout the Country

These merits of Building and Loan Associations have been noted by all students of the field. They are legitimate, and of the utmost importance to millions of investors. For this reason, the true cost of such investments must be carefully appraised. It must not be forgotten, however, that Building and Loan methods differ according to various financial plans of the several companies, and are seriously affected by the laws of the different states. A complete study of all of these plans and regulations would involve many articles. As was pointed out so succinctly by Mr. Chase in our April 25th issue, this great field of investment remains almost wholly neglected by experts. Nevertheless, the high lights of nearly all systems and states remain pretty much the same.

The Borrower Asks Questions

Interest of investors in Building and Loan Associations centers principally on such matter as "How long will it take for me to repay this loan?"; "Is the agreement as to the time it will take contained only in the circular, or, also in the mortgage stipulations?"; "Are all the extra charges really serious additions to cost?"; "How do such loans compare with those made by old-line mortgage companies as to cost?"; "How does the indefinite plan, for example, compare, as to cost, with the definite plan?"

Specific answers to these inquiries are not often given. True, there are hundreds of other legitimate and important questions, such as those centering around premiums, but the foregoing are uppermost in the minds of most of those who seek loans from the associations.

Return on Investment Constant

As for those who use such associations primarily for savings, the principal advantage is not so much in superiority of income as, in what might be called mental advantages. Nevertheless, it is true that the greater yield on Building and Loan shares, or on equities in Building and Loan shares, contributes to their popularity in competition with savings banks deposits. It is undeniable that if savings bank investments laws were liberalized in such a manner as to permit the savings banks to earn enough to pay a 4½% rate, such a move would considerably affect the market for Building and Loan shares.

Judged in the way ordinary investments are judged, there is one peculiarity of the Building and Loan shares that sometimes makes them extraordinarily attractive. Interest upon small home mortgages rarely varies from 6%. In 1921, when good bonds were selling on a 7% basis, these mortgages commanded 6%, and in 1925 when the same bonds yield less than 5%, these

mortgages still pay 6%. Hence when interest rates are low, dividends on Building and Loan shares are attractive, whereas when interest rates are high, they will not reflect such a gain and will be comparatively unattractive. There is no other security whose earning power is based on a practically constant interest rate, despite the money market.

Definite and Indefinite Plans

Cost of mortgages to borrowers depends strictly on the question as to whether the Association grants a definite or an indefinite loan. Among the companies pursuing the definite plan, the stipulation concerning total cost is written into the mortgage and by computation, the period of time it will take to repay the loan, is, therefore, made a definite obligation. As a rule, a borrower of $1,000 repays $10 monthly, at the outset, of which $5 is credited to interest and $5 to reduction of principal amount. After 139 months, or about 11½ years, the loan has been extinguished.

Usually, provision is made for the speeding up of repayments, at the option of the borrower. In the case of companies following the indefinite plan, duration of payments is contingent upon the dividends paid out on shares or equities in shares. In such cases, while the circular of the Association frequently contains computations as to the length of time required to extinguish a loan, such a specific provision, cannot, of course, be stipulated in the mortgage. Hence, such computations can only be a guide but not a guarantee. In practical operation, there is almost no difference between the two plans because, owing to the constant rates received on mortgages on small homes, and long dividend experience, well-established companies employing the indefinite plan follow pretty much an inflexible dividend policy.

There is one serious defect in the indefinite plan, and that is with respect to the status of the borrower in the event of insolvency of the Association. In such a case, in the indefinite plan associations, his investment makes him a partner or owner, and as such he has a right only to his proportionate part of the equities remaining after the creditors have been satisfied, whereas as a debtor to the Association, he is obligated to pay to the receivers the full amount of his indebtedness. It is true that failures among solid old-line Associations are almost *nil*, yet the point cannot be ignored. In the case of Associations following the definite plan, subscription to shares, for the borrower, amounts to little other than a figure of speech.

With respect to extra charges, it is clear that both straight mortgage companies and Building and Loan Associations must impose charges for special services, such as abstracting and guaranteeing title, mortgage taxes, etc. In the case of Associations, through, costs run from about 3 to 4%, where mortgage companies charge as high as 5%.

The accompanying table, while not a type of loan that would usually prevail, measures the difference of cost between a straight mortgage loan and an Association loan. For simplification, it assumes yearly payments of interest and principal, whereas Association payments are made monthly, and hence extinguish loans at a faster rate than that given in the table. Renewal cost is the great drain in the case of straight mortgages.

A marked feature of Building and Loan Associations has been the rise of permanent plan Associations. These Associations permit subscriptions or loans to be made at any time, whereas the serial Associations consider such commitments only at stated intervals. Greater flexibility is urged on behalf of the permanent plan Associations. Usually, although not always, these permanent plan Associations use the definite plan, also.

Investors frequently balk at the rather low return on their Building and Loan shares, and seek higher yields. Certainly in the Western states, especially Texas, an 8% dividend is not necessarily against an Association. But Building and Loan shares depend so much for their value upon intimate knowledge of the character of Association management that distant commitments are not to be recommended. As for Pennsylvania Associations paying 9%, the high rate paid on these certificates is not in alignment with prevailing rates on first mortgage money, and indicates a highly speculative risk.

COST OF MORTGAGES ON HOME WORTH $5000

	Building and Loan, 60% of value.			Mortgage Co., 40% of value.			Second Mortgage, 20% of value ($850 received, mortgage $1,000)			
Year	Balance of Mortgage	Interest 6 %	Payment on reduction of principal	Balance of Mortgage	Interest 6 %	Payment on reduction of principal	Balance of Mortgage	Interest 6 %	Payment on reduction of principal	Extra Disbursements
1	3,000	180	228	2,000	120	152	$1,000	60	100	
2	2,772	166	241	1,848	111	161	900	54	100	
3	2,531	152	256	1,687	101	171	800	48	100	(Bonus $150, Renewal Bonus $100.)
4	2,275	137	271	1,517	91	181	700	42	100	
5	2,024	120	287	1,336	80	192	600	36	100	
6	1,717	103	305	1,145	69	203	500	30	100	(Converts to personal notes. Bonus $50.)
7	1,412	85	323	942	57	215	400	24	100	
8	1,090	65	342	726	44	228	300	18	100	(Renews notes, bonus $25.)
9	747	45	363	498	30	242	200	12	100	
10	385	23	385	256	15	256	100	6	100	

Total cost Building and Loan mortgage $1076. Total cost straight mortgage plus second mortgage and notes (all expenses and interest) $1373.

HINTS FROM WASHINGTON

Hoover Next President?—Surtax Reduced to 20%—Federal Inheritance Tax to Be Maintained—An Oligarchy of Wealth

ONE hears so much "real inside" information in Washington that is both unreal and outside that it is very difficult to know what is actually going on, though the real thing is apt to be something different from what the newspapers say it is. Take the presidential aspirations of Herbert Hoover. The Washington that takes its news from word of mouth and smiles at the newspapers and correspondents believes that Hoover, like the engineer that he is, is laying down systematic approaches to the presidency.

"Like the engineer that he is," mark that phrase. The Hoover road to the presidency is not through the politicians, but through such a vast number of ties of respect, friendship and admiration that when the time comes for the politicians to play their part, it will be all cut out for them. Nothing to do but pull the strings in accordance with the popular mandate. The fact is that there is a quiet but guided nation-wide leavening of public opinion going on in Hoover's interest.

Business men are fascinated by the idea of a man of constructive genius, enemy of waste, conserver of investments, stabilizer of industry, at the head of the most potent people in the world. Think of having a president who would seek always to apply the accumulated knowledge of science and business experience to the nation's affairs—who would do nothing by the bogey of precedent but everything by the rule of logic and knowledge. Never since the world began has there been such an opportunity for a great mind to direct the upward progress of the race as in the presidency of the United States. Aside from the powers of the office, which are greater than those of any constitutional monarch or premier in Christendom, the moral leadership of an able and fearless president knows no bounds. The logical sequence of the constructive work of the highest order that Hoover has done in the Department of Commerce is the presidency. Will he get it? The answer is to be found in the great endless chain of personal communication that is now ramifying the nation in his interest.

This simple man who was a man when he was a boy and is a boy in his maturity, has a great discipleship. He claims nothing for himself but others gladly heap the honors of their work upon "the chief." Once upon a time the writer congratulated him on the insight and understanding of a technical problem he showed in addressing a group of business men and their technical advisers. "You are wrong," he answered, "I have many well-informed men around me." But somehow, everything he takes from his wise men, he manages to touch with the stamp of his own mind and personality.

Apropos, "Washington expects," in the lingo of the correspondents, that early in 1926, President Coolidge will publicly deny himself a second elective term.

* * *

THE tentative decision of the Ways and Means Committee to reduce the tax to a maximum of 20 percent is one of the most significant things that has transpired in Washington in a long time. It marks the penetration of economics into Congress. I understand that the vote on it cut across party lines. Our statesmen are discarding the demagogic idea that the way to help the poor man is to harass the rich man. They are grasping the concept that a money-making man is apt to be an economic asset, that the best possible use the nation can make of him is to let him go on making money. In our complex industrial society a man cannot make money or, rather wealth, without making it for other people.

* * *

A CITIZEN of Alaska has been scrutinizing Washington, after years of meditation in that far corner of the world. "The United States has ceased to be a democracy," he commented to the writer. "It is an oligarchy of wealth, but it is the wisest, most humane and altruistic oligarchy the world has had since England's land-owning aristocracy dropped the reins of empire." He is part of it himself. From time to time he buys bonds on the advice of a New York bond house.

* * *

FLORIDA and Alabama have blocked the abolition of the Federal Inheritance Tax at this time. Most of the other states have decided that they do not want the tax reserved to the states so long as those two states make a virtue of having none. With the Federal Inheritance Tax gone, the virtue would be more obtrusive than ever, for residents of those states would go scot free of such a tax.

(*Please turn to page* 161)

The Magazine of Wall Street's

Adjustable Rating System

As Applied to Railroad Securities

OUR choice of this particular time to publish our railroad rating tables is based on the vital consideration that, as a group, the railroad shares are still attractive, and that developments are now in the making which in the next few months should bring this group to the front of the stock market. The value of the tables as a reference guide, consequently, should be apparent.

The ratings are based primarily on our opinion of the investment value of the various securities, though due attention has been paid to speculative features. Bonds and preferred stocks of high-grade, for the most part, are rated in accordance with their yields, as compared with going money rates on which they are naturally dependent. In a number of cases, however, particularly among the more speculative preferreds, the sole consideration has been the ratio of earning power to market price, and the current money rate in such cases has not been considered an important factor.

Among common stocks the main elements on which the ratings are based are: first, the earnings of the companies and, second, their consolidation prospects. It will consequently be noted that in several instances recommendations have been made, despite apparent poor earnings, but this is because consolidation prospects are such as to outweigh such considerations. For the most part, however, the common stock ratings have been based on pure investment factors, such as yield, earnings and financial position of the respective roads.

The tables are of little value without reference to the Explanatory Table which accompanies the text on this page. Readers, therefore, should constantly check the given rating in the tables against the key rating in the Explanatory Table. The mere listing of an issue as A^1, for example, may describe its intrinsic value, but does not necessarily explain whether the issue is attractive at the prevailing price or not. In order to determine this point, the reader must refer to the Explanatory Table which furnishes the needed guide.

—Explanatory Table—

SECURITIES HAVING THIS RATING:	OCCUPY THIS INVESTMENT CLASS:	AND ARE ATTRACTIVE IF THEIR YIELD EXCEEDS THIS PERCENTAGE:
	BONDS	
A^1	Highest Grade Investments	**4.90**
A^2	Better Grade Investments	**5.20**
A^3	Good Investments	**5.60**
A^4	Contain Investment Merit with Element of Risk	**6.00**
A^5	Too Speculative Except for Consideration Individually	*
	PREFERRED STOCKS	
B^1	Highest Grade Investments	**5.70**
B^2	Good Investments	**6.30**
B^3	Desirable but with Speculative Element	**6.80**
B^4	Too Speculative for Consideration Except Individually	*
	COMMON STOCKS	
C^1	Possessing Investment Merit	Attractive at Present Price
C^2	Having Investment Merit but Too High-Priced	Unattractive at Present Price
D^1	Possessing Speculative Possibilities	Attractive at Present Price
D^2	Position and Outlook Uncertain	Unattractive at Present Price

*As these issues should be considered individually, the yield basis upon which they may be deemed attractive will vary with cases.

— See Succeeding Pages For Our Railroad Rating Tables —

THE MAGAZINE OF WALL STREET'S Adjustable Rating Tables

NOTE: In these tables, investors will find: (1) a brief description of every important Railroad company whose securities are listed on the New York Stock Exchange; (2) a brief analysis of each of the more prominent security issues outstanding; (3) the prices of and yields afforded by these securities, and (4) the rating accorded each one under our ADJUSTABLE RATING SYSTEM.

Investors should interpret the ratings in the light of the explanation presented on a previous page.

	Recent Price	Yield (%)	M.W.S. Rating
ATCHISON, TOPEKA & SANTA FE RY. CO.—One of leading transcontinentals. Earnings heavily reinvested in improvements and up-building of present strong system.			
General Mortgage 4s, '95.—First lien on 5,209 and first collateral lien on 1,389 miles. Outstanding at low rate per mile	89	4.5	A1
Adjustment Mortgage 4s, '95—Second lien on property covered by General 4s (see above)	85	4.7	A1
Preferred Stock (5%, non-cum.)—Average earnings equal to about five times requirements. A premier railroad preferred	95	5.3	B1
Common Stock—$7 dividend amply protected. Good prospect for more liberal rate in long run	124	5.6	C1
ATLANTIC COAST LINE RAILROAD CO.—Serves Atlantic seaboard south from Washington and Norfolk. Industrial development of the South and Florida boom stimulus to earnings.			
First Consolidated Mortgage 4s, '52—First lien on 1,087 miles and second on 2,576 miles, etc. Outstanding at low rate	90	4.6	A1
L. & N. Collateral 4s, '52—Secured by stock of Louisville and Nashville R. R. Co., approximately par for par	88	4.8	A2
General Unified 4½s, '64—Entitled to high rating, due to equity in both property and earnings	94	4.8	A1
Common Stock—Paying $7 regular and $1 extra. Has had considerable advance but room for some further price enhancement	217	3.7	C1
BALTIMORE & OHIO RAILROAD CO.—Important trunk line freight carrier covering iron and coal mining territory between **New York and Chicago. One of** principal soft-coalers.			
First Mortgage 4s, '48—Outstanding at high rate per mile, and not of highest grade	88	4.8	A2
P. L. E. & West Va. Sys. Ref. 4s, '41—A first mortgage on very valuable track**age and also secured by deposit of se**curities	86	5.3	A2
Refunding & General Mortgage "A" 5s, '95—Secured for the most part by junior liens	91	5.5	A3
Convertible 4½s, '33—Secured equally with Refunding and General Mortgage bonds. (See above)	93	5.8	A3
Preferred Stock (4% non-cum.)—Somewhat irregular earnings record in previous years. Div. **earned by wide margin since 1920**	66	6.1	B2

	Recent Price	Yield (%)	M.W.S. Rating
Common Stock—Earning at rate of approximately $10 a share. Could pay larger div.	86	5.8	D1
CANADIAN PACIFIC RAILWAY CO.—Main line 2,896 miles from Montreal to Vancouver, B. C. Operates total of 14,821 miles. Stable earnings.			
Perpetual Consolidated Debenture 4s—Subject to very small mortgage debt. High-grade issue	80	5.0	A1
Common Stock—Stable earner, with limited speculative attraction. $10 div. earned by fair margin	149	6.7	C1
CHESAPEAKE AND OHIO RAILWAY CO.—One of major links in proposed new Nickel Plate system. Traffic principally soft coal.			
First Consolidated Mortgage 5s, '39—Secured by first lien on 665 miles, and pledge of bonds and stocks	103	4.7	A1
General Mortgage 4½s, '92—First lien on 426 miles and second and third lien on other trackage	91	4.9	A2
Preferred Stock (6½% Cum.)—Entitled to rank as high-grade investment by virtue of large equity in earnings	114	5.7	B1
Common Stock—Situation complicated by minority objection to merger terms. Possibility of some further price advance on consummation of such merger. Div. $4.	108	3.7	C2
CHICAGO AND NORTHWESTERN RAILWAY CO.—Covers nine middle and northwestern states. Connects with Union Pacific at Omaha. Over 40% of freight traffic products of mines.			
Secured 6½s, '36—A direct obligation of the company and secured by deposit of Gen. Mtge. 5s, approximately par for par. Attractive	110	5.3	A1
1st and Refund 5s, 2037—Secured by lien on entire mileage of which 800 miles is covered by first mortgage	98	5.1	A2
Extension 4s, '26—Exceptionally well-protected	100	4.0	A1
General Mortgage 5s, '87—Covered by first and second liens on valuable mileage	102	4.9	A1
Preferred Stock (7% non-cum.)—After $7 on preferred and common, pfd. is entitled to additional $3. After common receives $10, both issues share alike in further payments	116	6.0	B2
Common Stock—$4 div. being earned by good margin. Earnings showing improvement	69	5.8	D1
CHICAGO, MILWAUKEE & ST. PAUL RY. CO.—Conflicting reorganization plans foreshadow prolongation of receivership.			
General Mortgage 4½s, '89—First lien on 5,708 miles at low rate per mile. Entitled to highest rating. Undisturbed by receivership	89	5.0	A1

THE MAGAZINE OF WALL STREET'S Adjustable Rating Tables

	Recent Price	Yield (%)	M.W.S. Rating
General & Refunding Mortgage 4½s, 2014—Secured by lien and deposit of other bonds. Likely to be exchanged for junior securities in reorganization. Position speculative. Interest defaulted...	48	...	A^5
Convertible 4½s, '32—Are now secured equally with General & Refunding bonds. (See above)	48	...	A^5
Preferred Stock (7% non-cum.)—Heavy assessment probable. Should be avoided	15	...	B^4
Common Stock—Same as preferred ...	8	...	D^2
CHICAGO, ROCK ISLAND & PACIFIC RY. CO.—Freight traffic fairly well diversified but earning power erratic. Recently disposed of holdings in St. Louis Southwestern common.			
General Mortgage 4s, '88—Outstanding at very low rate per mile. Covers valuable trackage	84	4.8	A^1
1st & Refunding Mortgage 4s, '34—Not well-protected by earnings but have fair equity in assets	86	6.0	A^4
Preferred Stock—(7%; cum. to 5%)—Redeemable at 105. Paying full 7% rate. Attractive business man's investment	97	7.2	B^3
Common Stock—Earnings show some improvement this year. Current price based largely upon possibility for merger with Southern Pacific	46	...	D^2
DELAWARE & HUDSON CO.—A hard coaler operating from Wilkes-Barre to Rouses Point, N. Y. Long record of prosperity.			
1st & Refunding 4s, '43—Outstanding at high rate per mile but protected by earnings	89	4.9	A^1
Convertible 5s, '55—A direct obligation but having no lien	106	4.6	A^2
Capital Stock—Earnings far in excess of present $9 div. requirement. Speculative possibility in probable segregation of coal properties	141	6.4	C^1
DELAWARE, LACKAWANNA & WESTERN R. R. CO.—Also a hard coaler but with large passenger traffic. Stable earnings. No funded debt. Operates 1,836 miles of tracks in New York, New Jersey and Pennsylvania.			
Capital Stock—Div. $7 including extra paid in January. Attractive investment for long pull. Consolidation possibilities..	138	5.0	C^1
ERIE RAILROAD COMPANY—Soft coaler. Shareholders have approved terms for consolidation with Nickel Plate. Earnings this year show considerable improvement.			
General Mortgage 4s, '53 (Series D)—A junior lien on valuable property of the road	74	6.8	A^4
Cons. Mortgage Prior Lien 4s, '96—Secured by valued liens and deposit of securities	73	5.5	A^3
Cons. Mortgage General Lien 4s, '96—Subject to prior lien bonds. (See above)	65	6.2	A^4
First Preferred Stock—Under consolidation plan, each share will be exchanged for ½ share of new Nickel Plate 6% preferred. Fair speculation	42	...	B^4
Common Stock—To be exchanged at rate of one share for 0.4 share of new Nickel Plate common on approval of merger by I. C. C.	35	...	D^1

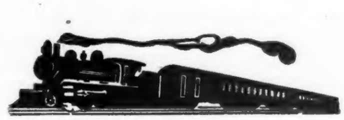
	Recent Price	Yield (%)	M.W.S. Rating
GREAT NORTHERN RAILWAY CO.—Lines extend from Minneapolis and St. Paul to Pacific Coast. Operates 11,666 miles of track. Earnings are improving.			
General Mortgage 7s, '36—Well secured by liens on valuable trackage, and deposit of securities	110	5.7	A^2
Capital Stock—Preferred, no common ever issued. Earnings not up to former standard, but road beginning to show change for better. Outlook encouraging. Paying $5 a share	73	6.9	D^1
ILLINOIS CENTRAL RAILROAD CO.—Operates 4,851 miles of main track from Chicago westward to Iowa and southward to Gulf of Mexico. Excellent record, strong road.			
Refunding Mortgage 4s, '55—A high-grade bond issue but not attractive at market price	89	4.7	A^1
Secured 5½s, '34—Well protected by deposit of other bonds. Preferable to Refunding Mortgage 4s. (See above).....	102	5.2	A^1
Preferred Stock (6% non-cum.)—Convertible into common, share for share. Callable @ 105. High-grade investment, low yield, but conversion feature adds attractiveness	118	5.1	B^1
Common Stock—Unbroken div. record since 1860. Could pay more than current $7.	119	5.9	C^1
KANSAS CITY SOUTHERN RY. CO. To form nucleus of proposed new "Loree System" in southwest. Heavily interested in M.-K.-T. and recently acquired substantial interest in St. Louis Southwestern.			
First Mortgage 3s, '50—Exceptionally high-grade issue	72	5.0	A^1
Refunding & Improvement 5s, '50—Junior to 1st Mortgage but a sound investment	91	5.7	A^2
Preferred Stock (4% non-cum.)—Long dividend record. Well-protected	58	6.9	B^2
Common Stock—Future largely dependent upon merger developments. Has speculative promise	40	...	D^1
LEHIGH VALLEY RAILROAD CO.—Hard coaler. Good average earning power, valuable properties. Occupies strategic position in consolidation field.			
General Cons. 4s, 2003—Selling above apparent value	91	4.4	A^1
General Cons. 5s, 2003—Protected by general and collateral liens. Strong position	100	5.0	A^1
Common Stock—Present $3.50 div. earned by wide margin. Probable fight for control by large eastern systems adds to possibilities	78	4.4	C^1
LOUISVILLE & NASHVILLE RAILROAD CO.—Controlled by Atlantic Coast Line R. R. Co., and integral part of that important system.			
Unified 4s, '40—A high-grade first mortgage bond, but yield unattractive....	92	4.7	A^1
First & Refunding 5s, 2003—Secured by valuable liens and pledge of securities. Preferable to Unified 4s. (See above)...	103	4.9	A^1
Capital Stock—Now pays $6 annually. Is earning requirement more than twice over. Could pay more	136	4.4	C^1

THE MAGAZINE OF WALL STREET'S
Adjustable Rating Tables

	Recent Price	Yield (%)	M.W.S. Rating
MISSOURI-KANSAS-TEXAS R. R. Co.—Substantial improvement in earning power during late years. May become part of "Loree System," see Kansas City Southern.			
1st Mortgage 4s, '90—An unusually high-grade security as regards value of mortgage	83	4.8	A1
Prior Lien 5s, '62—Subject to 1st Mortgage bonds but well secured	96	5.2	A3
Adjustment 5s, '67—Direct lien subject to all other existing liens. Convertible into preferred, par for par	89	5.7	A4
Preferred Stock—7% cum., after Jan. 1, 1928—Now paying $5.	84	6.0	B3
Common Stock—Dividends still remote, but also has merger prospects	40	...	D1
MISSOURI PACIFIC RAILROAD Co.—Has developed ambitious expansion program. Acquisitions promise to make road one of great systems in southwest. Earnings record poor but improving.			
First & Refunding 6s, '49—Secured by 1st mortgage at very low rate per mile. Also by junior liens and deposit of securities	101	5.9	A2
General Mortgage 4s, '75—Lien on property subject to 1st and refunding bonds	64	6.4	A4
Preferred Stock (5% cum.)—No dividends ever paid. Accumulated divs. 36¼%. Good long pull possibilities	82	...	B4
Common Stock—Preferred stock the better speculation	35	...	D1
NEW YORK, CHICAGO & ST. LOUIS R. R. Co.—Moving spirit in proposed new Nickel Plate System. Under plan, present company will become holding concern. No exchange of old Nickel Plate stocks involved.			
First Mortgage 4s, '37—First lien on entire property of old N. Y., Chicago & St. Louis R. R.	93	4.8	A1
Debenture 4s, '31—Secured by mortgage subject to 1st 4s of 1937. Fairly well protected	94	5.2	A2
Preferred Stock (6% cum.)—Sound investment entitled to higher price	94	6.4	B2
Common Stock—Dividends being paid at rate of $6 annually. Earning more than three times this amount. Discounting probable merger benefits	151	4.0	C2
NEW YORK CENTRAL R. R. Co.—One of strongest and most important of eastern trunk lines. Excellent record. Good long pull prospects.			
Cons. "A," 4s, '98—Secured by junior liens but well protected	84	4.8	A1
Ref. & Imp. 5s, 2013—Strongly secured with respect to assets and earning power	101	4.9	A1
Capital Stock—Present dividend of $7 covered by wide margin. Unusually good issue	125	5.6	C1
NEW YORK, NEW HAVEN & HARTFORD R. R. Co.—Gradually recovering from former difficulties. Decided increase in earnings this year.			
Convertible Debenture 6s, '48—Not secured by mortgage. Position improved by recovery in earning power	94	6.5	A4
Common Stock—Fairly attractive speculative possibilities based upon improved outlook for earnings	38	...	D1
NORFOLK & WESTERN RAILWAY Co.—A coal road. Closely affiliated with Pennsylvania Railroad. Approval of Virginian Railway lease would fortify already strong position.			
First Consolidated 4s, '96—A high-grade investment, strongly secured	88	4.6	A1
Div. First Lien & General 4s, '44— Practically as secure as First Consolidated 4s, but offer better return	90	4.8	A1
Preferred Stock (4% non-cum.)—Safer than the average bond issue, due to small issue and large earnings	80	5.0	B1
Common Stock—Pays $7 regular and $1 extra. High earning power. Possibility that road may be taken over and div. guaranteed by Pennsylvania. Attractive..	140	5.7	C1
NORTHERN PACIFIC RAILWAY Co.—Northwestern carrier giving evidence of casting off operating difficulties of recent years.			
Prior Lien 4s, '97—Outstanding at low rate per mile under first mortgage	84	4.8	A1
Ref. & Imp. 6s, 2047—Secured for most part by junior liens and pledge of securities. Fairly attractive	107	5.6	A2
Capital Stock—Still earning $5 div. by small margin but outlook **brightening**	71	7.0	D1
PENNSYLVANIA RAILROAD Co.—Extensive eastern trunk line system, total trackage 25,000 miles. Strong record.			
Gen. Mtge. 5s, '68—First and Junior liens on valuable trackage and property	101	4.9	A1
Secured 6½s, '36—Protected by deposit of other high-grade bonds	111	5.2	A1
Common Stock—Sound investment. Earning $3 div. by margin indicating ability to increase rate	50	6.0	C1
PERE MARQUETTE RAILWAY Co.—To become part of new Nickel Plate if and when merger receives I.C.C. sanction.			
1st Mtge. 5s, '56—First lien on valuable trackage and outstanding at low rate per mile	100	5.0	A1
Prior preferred stock (5% cum.)— Under merger terms, shareholders to receive 100% in new Nickel Plate 6% preferred stock. Good investment regardless of consolidation	84	6.0	B2
Preferred Stock (5% cum.)—Holders will receive 90% in new preferred, giving them equivalent of 5.4% div. Attractive issue	74	6.8	B3
Common Stock—Earning at rate of more than twice $4 div. Holders will receive 85% in Nickel Plate common under merger and equivalent of $5.10 div.	78	5.1	D1
READING COMPANY.—Hard coaler, figuring prominently in tentative merger plans. Good record.			
Jersey Central Coll. 4s, '51—Secured by deposit of securities	91	4.6	A1
First Preferred (4% non-cum. $50 par) —Well secured but yield too low	39	5.1	B1
Second Preferred (4% non-cum. $50 par)—Not even as attractive as 1st preferred	40	5.0	B1

THE MAGAZINE OF WALL STREET'S
Adjustable Rating Tables

	Recent Price	Yield (%)	M.W.S. Rating
Common Stock—Good speculative possibilities. Owns 52% interest in Central R. R. of N. J.	85	4.7	C^1
St. Louis-San Francisco Railway Co.—Formerly one of so-called "weaker roads". Has shown remarkable gains since 1922 with development of southwestern territory.			
Prior Lien 5½s, '42—Lien on company's entire property, but not of high grade due to irregular earnings	100	5.5	A^3
Adj. Mtge. 6s, '55—Cumulative income bond, secured by lien subject to Prior Lien and other mortgages. Fair investment	91	6.7	A^4
Preferred Stock (6% non-cum.)—Dividends inaugurated Nov., 1924	88	6.8	B^3
Common Stock—Div. increased to $7 in September. Earnings estimated at rate of $15 a share	96	7.3	D^1
St. Louis-Southwestern Railway Co.—Also benefiting from growth of traffic density in southwest. Linked with Kansas City Southern in tentative consolidation proposals.			
First Mtge. 4s, '89—Outstanding at a very low rate per mile under collateral lien	83	4.8	A^1
1st. Cons. Mtge. 4s, '32—Protected for the most part by junior liens	89	5.9	A^3
Preferred Stock (5% non-cum.)—Earnings have shown considerable improvement in recent years	72	6.9	B^3
Common Stock—Showing about $8 a share but dividends not anticipated for immediate future	54	...	D^2
Seaboard Air Line Railway Co.—Staging strong recovery in earnings with steady growth in southeastern states, especially Florida.			
Ref. Mtge. 4s, '59—Fairly well secured and have fair speculative possibilities	71	6.0	A^4
1st & Con. Mtge. 6s, '45—Protected by first mortgage and deposit of other bonds. More attractive than the Ref. Mtge. 4s (see above)	95	6.4	A^4
Preferred Stock (4-2% non-cum.)—Entitled to 4%, then 2% additional after 4% on common. A promising speculation	48	...	B^4
Common Stock—A promising non-dividend rail with long pull possibilities	46	...	D^1
Southern Pacific Co.—Lines extend from New Orleans to Pacific Coast. Also runs a steamship service from New Orleans to New York. Excellent record.			
San Francisco Term. 4s, '50—Mortgage on valuable terminals and land in San Francisco	85	5.1	A^1
Central Pac. Coll. 4s, '49—Secured by deposit of Central Pacific Ry. Stock	87	4.9	A^1
Common Stock—Present $6 dividend well protected by earnings. Seems out of line with other standard rails	98	6.1	C^1
Southern Railway Co.—Profitable operations in late years reflect former policy of aggressive development.			
1st Cons. 5s, '94—Secured by valued liens and deposit of stocks	103	4.8	A^1
Dev. & Gen. Mtge. 4s, '56—Mortgage on all property subject to 1st Consl. lien	79	5.4	A^2
Dev. & Gen. Mtge. 6½s, '56—Secured by mortgage up to 4% interest rate, but additional interest is unsecured obligation. Sound issue	110	5.8	A^3
Preferred Stock (5% non-cum)—Entitled to good rating but not especially attractive at present price	91	5.5	B^2
Common Stock—Paying $5 and earning at rate of $16, indicating ability to pay more generous div. About to graduate into investment class	114	4.4	D^1
Union Pacific Railroad Co.—Old line, transcontinental road with splendid record. Has extensive investment in securities of other roads.			
1st Lien & Ref. Mtge. 4s, 2008—Outstanding at low rate per mile under first mortgage on valuable trackage	85	4.7	A^1
Preferred Stock (4% non-cum.)—Dividend earned many times over in each of past ten years	75	5.3	B^1
Common Stock—Pays $10 and offers attractive return at current price	141	7.1	C^1
Wabash Railway Co.—Rather liberally capitalized, smaller road. Uneven earning record. Improvement shown since 1922.			
1st Mtge. 5s, '39—Secured by first lien on valuable trackage	98	5.2	A^1
Preferred Stock (5% non-cum. "A")—After 5% on pfd. B and common stocks, this issue shares equally with common. Fairly attractive	70	7.1	B^3
Common Stock—Largely speculative with no great attraction at present	39	...	D^2



Five Unique Bonds With a Speculative Appeal

Where Values Are Neglected in a High Yield Market

Five Speculative Bonds

	Price	Yield to Maturity %
Chinese Govt. Hu-Kuang 5s 1951......	48	11.75
Booth Fisheries s.f. Debenture 6s 1926	92	22.50
Green Bay & Western R.R., Income Debentures "B"	14	....A
Brooklyn, Queens County & Suburban, 1st con. 5s 1941	64	9.22
Chicago Rys. Co. 1st 5s 1927.........	78	21.00

(A) no maturity, interest paid 1925, ½%.

BONDS are not customarily thought of as speculative commitments. The bond buyer usually makes his purchase with one of three considerations in mind—(1) either for its merits as a straight investment, (2) its possibilities for a quick though possibly small profit and (3) as a long-term speculation, based on the belief that if interest rates decline, the bond will advance. But there is a further possibility, in which case the consideration is exactly the same as in stocks and that is a straight speculation.

Any security may have speculative elements. Bonds are not exceptions. One note of caution only is required: such bonds are not "good" bonds and should not be touched by those unable to afford a loss. They are offered for what they are—as outright speculations, in which the profit may be considerable. In the following, five such bonds are presented to the attention of readers.

CHINESE GOVT. HU-KUANG RY.

5s 1951

An obligation of the Chinese Government. Payable in pounds sterling. Present quotation is about $48 for a £20 piece or at about 50% of par. Interest is payable in sterling, and present yield is about 11%. In addition, sinking fund operations are withdrawing bonds at par (£104,000 in June, 1925).

While these bonds are a first charge on provincial revenues they have a further feature which makes them the only bonds of their type in the world. They are also secured by railway revenues, but only a small section having been built, these are not important.

These secured revenues are collected by Chinese provincial officials. While revenues have always exceeded the amounts required for service on this loan, they have largely been diverted into the pockets of the collecting officials. The service has been met, nevertheless, because the grafters would rather pay the service on the loan, and continue to have the right to collect revenues, thus lining their own pockets. However, should they default, the bonds are almost immediately transferable to the Maritime Customs Administration. This administration is in the hands of Great Britain, France, U. S. A., etc. Not only that, but the conference at Pekin is discussing the abolition of the hated Li-kin provincial taxes, and the substitution therefor of revenues under the Maritime administration, preferably customs. Service would then be taken care of out of the customs.

Chinese Customs guaranteed loans are selling on a 6½% basis. In the event either of provincial default or abolition of secured revenues, the Hu-Kuang 5s would sell into line with these bonds. In other words, there is a good chance that an 11% bond, by default or transfer of revenues, will yield a profit of $40 per £20 piece. In addition there is the annual probability that the sinking fund will retire these bonds at par. *This is one of the most attractive straight bond speculations that can be found today.*

BOOTH FISHERIES

S. F. Debenture 6s due April 1, 1926

At 92½ asked price, the technical yield of these bonds to maturity is over 22%. Such a price can obtain only by virtue of the feeling that the bonds will not be redeemed at maturity. Although not a mortgage, these bonds are the senior security of the Booth Fisheries Co. Net assets are, however, four times the amount outstanding, usually enough to secure a bond amply.

Earnings fell far below service on these bonds for many years, but in 1923 and in 1924 the situation improved so that interest was earned 1.17 times and 1.44 times respectively. Financial position remains unsound, however, current liabilities exceeding current assets by 1.5 millions, bank loans being over 5 millions. In view of increased earnings, maximum producing capacity, etc. (first time since 1919), banks are advancing revolving loans. It appears that it would pay the banks to take care of these debentures at maturity, and so conserve the credit of a great and reviving company. The banks evidently would have no other course open to them. *The near-certainty of this step makes these bonds an interesting speculation.*

CHICAGO RAILWAYS

1st 5s due February 1, 1927

This issue has been consistently recommended in our *Bond Buyer's Guide.* At about 78, yield to maturity exceeds 20%.

They are outstanding in the amount of 56 millions. Under the city valuation amount of assets applicable to this issue are in excess of 93 millions. Earnings of system show surplus over interest requirements on all bonded indebtedness. First Mortgage interest was earned 1.7 times.

Under provisions of franchise, either the city of Chicago must buy the properties at expiration of the franchise, or compel sale of property to another company at the same figure it would be required to pay. In either case, this first mortgage issue would be amply taken care of. Should the city fail to exercise either option, the franchise shall be continued. This issue would then sell on an earnings basis, or be refunded. *In any case the issue seems to have possibilities of a considerable profit.*

GREEN BAY & WESTERN R. R

Class "B" income debentures

Green Bay & Western operates in Wisconsin. It has no mortgage indebtedness. Class "A" income debentures receive 2½%, paid out of net earnings (outstanding $600,000), then common stock of 2.5 millions receives a 2½% dividend. The two classes then share jointly until they each receive 5%. Class "B" income debentures are

(*Please turn to page* 180)

BONDS

THE plentiful supply of funds for investment was fully demonstrated by the ease with which large financing operations were effected. New securities issues last month topped by approximately 25% those floated for the same period last year. In addition to taking care of domestic requirements, a number of foreign countries and states have come into our market for their financial needs, such as Czecho-Slovakia, a number of German states, Canada, etc., and this seems only a forerunner of what may be anticipated in future.

The drastic decline in the stock market was practically without influence on bond prices. The breaking of stock prices was due to speculative attacks on the market having for their *raison d'etre* the action of the Federal Reserve Bank rate at Boston raising the rediscount rate from 3½ to 4%. But this action was quite evidently due to actual commercial conditions existing in the Boston territory and the amount of the increase caused no concern to holders of bonds, although it possibly instilled a more cautious feeling among traders in the market. High-grade issues presented a rather firm front. There was selling of the Liberty loans, but, in view of the probability of tax reduction, those who desire a better yield than obtainable from Liberties are exchanging the latter for higher-income producing issues.

Marine 6s Advance

The more speculative issues were naturally affected to a greater extent in the break in stock prices, but even in these instances, recessions were of only moderate proportions. Changes in the rail issues were generally of a fractional character. Utilities were somewhat irregular, with strength in one section and small declines in another. Among the industrials, the convertible issues which had scored sharp advances lost some of their recent gains, but rubbers, steels, coppers, oils and sugars were generally steady. Another strong spot, following consistent pressure for some weeks, was the International Mercantile Marine 6s, which advanced six points above their recent low price.

Foreign bonds were firm, although continued selling of French Government issues was noticeable.

We continue to feel that, in view of the present level of prices, new commitments should be undertaken with a considerable degree of caution and careful selection made of such issues. It is true money is still comparatively easy, but this has been the situation for months and that influence has already been reflected to a great extent in quotations now ruling.

CORRECTION

In the last issue, a reference was made to one of Daniel Read's stock market operations in bygone years. The reference should have been made to Rock Island stock instead of Erie.

Bond Buyers' Guide

(Bonds listed in order of preference)

HIGH GRADE

(For Income Only)

Non-Callable Bonds:

Bond		Apx. Price	Apx. Yield	¶ Int. earned on entire funded debt
Great Northern Genl. 7s, 1936	(c)	110	5.75	2.85
Atlantic & Danville 1st 4s, 1948	(a)	79	5.60	....
Western Union Telegraph Co. 6½s, 1936	(a)	111	5.15	e 1.75
New York Edison Co. 6½s, 1941	(b)	114	5.20	3.30
Chicago & Northwestern 7s, 1930	(b)	108	5.15	1.80
Delaware & Hudson 7s, 1930	(b)	109	5.05	2.10
New York Dock Co. 4s, 1951	(a)	80	5.45	2.70

Callable Bonds:

Bond		Apx. Price	Apx. Yield	¶ Int. earned on entire funded debt
Armour & Co. Real Estate 4½s, 1939	(a)	90	5.80	....
Laclede Gas Light Coll. & Rfd. 5½s, 1953	(c)	100	5.50	1.41

MIDDLE GRADE

(For Income and Profit)

Railroads:

Bond		Apx. Price	Apx. Yield	¶ Int. earned on entire funded debt
Cuba R. R. 1st 5s, 1952	(a)	87	5.90	2.45
St. L. & S. F. Prior Lien 4s, 1950	(c)	77	5.75	1.25
Western Pacific 1st 5s, 1946	(c)	94⅛	5.45	2.40
New York, Ontario & Western Rfd. 4s, 1992	(a)	67½	5.90	2.00
Missouri Pacific 1st & Rfd. 6s, 1949	(b)	101	5.90	1.20
Baltimore & Ohio Convertible 4½s, 1933	(b)	93	5.75	1.35
Baltimore & Ohio Rfd. 5s, 1995	(b)	93	5.45	1.35
Missouri, Kansas & Texas Prior Lien 5s, 1962	(c)	96	5.25	1.10
Boston & New York Air Line 4s, 1955	(a)	72	6.00	....
Kansas City Southern Rfd. and Imp. 5s, 1950	(a)	92	5.60	1.90
Minneapolis, St. Paul & Sault Ste. Marie 6½s, 1931	(a)	103½	5.90	1.50
Rutland R. R. 1st 4½s, 1941	(a)	97	5.80	1.75

Industrials:

Bond		Apx. Price	Apx. Yield	¶ Int. earned on entire funded debt
South Porto Rico 1st Mtg. and Col. 7s, 1941	(b)	106	6.40	2.20
Sinclair Pipe Line 5s, 1942	(b)	85	6.35	g 2.50
Goodrich, B. F., Co., 1st 6½s, 1947	(b)	106	6.00	e 2.40
California Petroleum Corp. 6½s, 1933	(c)	104	5.90	4.80
International Paper Co. 5s, 1947	(a)	94	5.45	3.50
U. S. Rubber 5s, 1947	(c)	90	5.80	2.05
Bethlehem Steel Co. 5s, 1936	(a)	94	5.75	f 2.30
Armour & Co. of Del. 1st 5½s, 1943	(c)	94	6.10	....
Anaconda Copper Mining Co. 1st 6s, 1953	(b)	101	5.90	g 1.25
Cuba Company 6s, 1935	(b)	96½	6.50	e 7.00
Consolidation Coal Co. Rfd. 5s, 1950	(a)	83	6.30	2.00

Public Utilities:

Bond		Apx. Price	Apx. Yield	¶ Int. earned on entire funded debt
Manhattan Railway Cons. 4s, 1990	(a)	60	6.70	g 0.90
Amer. Water Works & Elect. Corp. Col. 5s, 1934	(c)	95⅛	5.65	2.40
Ohio Public Service 7s, 1947	(c)	110	6.20	f 2.00
United Fuel Gas 6s, 1936	(b)	103	5.65	e 7.00
Hudson & Manhattan Refunding 5s, 1957	(c)	91⅛	5.60	2.60
American Gas & Electric 6s, 2014	(c)	98	6.15	2.00
American Power & Light Deb. 6s, 2016	(c)	97	6.70	3.00
Kansas Gas & Electric 6s, 1952	(b)	102½	5.85	1.80
Commonwealth Power Corp. 6s, 1947	(c)	103	5.80	4.50
Manitoba Power Company 7s, 1941	(c)	103	6.70	....
Market St. Ry. 7s, 1940	(b)	99	7.05	2.30

SPECULATIVE

(For Income and Profit)

Railroads:

Bond		Apx. Price	Apx. Yield	¶ Int. earned on entire funded debt
Chesapeake & Ohio Conv. 5s, 1946	(b)	118	3.80	1.65
Erie Genl. Lien 4s, 1996	(b)	65½	6.25	1.31
St. Louis & San Francisco Adj. Mtg. 6s, 1955	(c)	91	6.70	1.25
Missouri, Kansas & Texas Adj. Mtg. 5s, 1967	(c)	88⅛	5.75	1.10
International Great Northern Adj. 6s, 1952	(c)	75	5.85	....
Chicago Great Western 1st 4s, 1959	(a)	63	6.80	0.85
Western Maryland 1st Mtg. 4s, 1952	(a)	66⅛	6.70	1.20
Rock Island, Ark. & Louisiana 1st 4½s, 1934	(c)	88	6.30	....

Industrials:

Bond		Apx. Price	Apx. Yield	¶ Int. earned on entire funded debt
Pan. Amer. Petroleum & Transport Conv. 6s, 1934	(c)	108⅛	4.75	25.00
Cuba Cane Sugar 7s, 1930	(c)	93½	8.75	2.15
International Mercantile Marine 6s, 1941	(b)	87	7.40	2.50
American Agricultural Chemical Co. 7½s, 1941	(b)	104	7.05	....
Warner Sugar Refining Co. 1st 7s, 1941	(c)	93	7.75	....

Public Utilities:

Bond		Apx. Price	Apx. Yield	¶ Int. earned on entire funded debt
Empire Gas & Fuel 7½s, Series "A," 1937	(c)	103⅛	7.05	3.30
Brooklyn-Manhattan Transit 6s, 1968	(c)	91½	6.60	f 1.50
Chicago Railways 1st 5s, 1927	(a)	79	16.00	1.08
Hudson & Manhattan Adj. Income 5s, 1957	(b)	74	7.05	2.00
Interboro Rapid Transit 5s, 1966	(a)	69	7.40	0.90
Third Avenue Railway Rfd. 4s, 1960	(b)	56½	7.55	i 1.35

¶ This represents the number of times interest on the companies' entire outstanding funded debt was earned, based on earnings during the last five years. Includes government payments during period of government operation of railroads.

(a) Lowest demnom., $1,000. (b) Lowest denom., $500. (c) Lowest denom., $100. (d) Lowest denom., $50. e Average last three years. f Average last two years. g Average last four years. i Does not include interest on adjustment bonds.

What is Back of Today's Huge Public Utility Mergers?

Are Combinations of Properties Justified?—Market Prices of Some Utility Issues Have More Than Discounted Possible Favorable Developments for Years to Come

IF one were to ask what has been the most important development this year in the field of public utility operation and finance, the answer would surely be the consummation of merger negotiations and further absorption of smaller units by large holding companies. Indeed, the general tendency on the part of the large holding companies to take over the smaller companies and the number of such consolidation which have actually taken place thus far this year may be characterized as the outstanding development of more than a decade.

The trend of absorption and consolidation first began on a fairly large scale in 1924. This has continued into 1925 which has witnessed absorption of smaller companies by the larger organizations on a scale never before witnessed. With practical assurances from Washington that the government approved of consolidations (in line with Secretary Hoover's ideas on superpower systems throughout the country) consolidation and absorption have gone forward without hindrance.

Why is it that public utility companies have been permitted to go ahead practically without interference in their plans for consolidation and absorption? This is a question raised frequently these days. Consolidation after consolidation has been the subject of investigation by both Federal and State governments within the last few years, the most recent of which is the threatened investigation of the proposed merger of baking companies. The answer to the absence of any opposition of consequence to public utility mergers and absorptions is that in practically all cases the public stands to benefit. The public benefits through improved service made possible by consolidation and through lower rates for service being rendered.

Mergers, purchases of addition properties, and even rumors of pending deals, some of which seem preposterous, have not been without their effect marketwise on all classes of public utility securities, justified and unjustified. Discounting events as stock markets do, it will be recalled that public utility stocks earlier in the year were for a time the market leaders, in process of discounting favorable developments, many of which have already materialized. But there can be no doubt that enthusiasm for many public utility stocks has been carried too far, and a day of reckoning is coming in many issues which have already many times discounted any possible favorable developments for years to come.

Unwarranted Speculation

Earning power and dividends, or possible dividends, have been factors ignored in many cases, and operators of public utility properties themselves have gone on record as deprecating the speculation in utility stocks. Samuel Insull, of Commonwealth Edison and Peoples Gas Light of Chicago, one of the recognized leaders and incidentally one of the most successful in the public utility field, put himself on record last summer pointing out the need for caution and declaring that enthusiasm was being overdone marketwise.

Unlike the industrial company, consolidations of public utility companies are effected through the holding company in most instances. The function, generally speaking, of the public utility holding company is too well known to need more than passing mention. The holding company is an organization which controls through ownership of securities any number of public utility properties. The properties are then given the benefit of a central management and the holding company derives its earnings from dividends on securities owned, principally common stocks.

What are the principal arguments justifying the holding company? From a financial viewpoint, it does two things. First, it diversifies the use of the aggregate capital. A holding company is naturally in back of the smaller companies by reason of its large investments in them and in most instances also acts as the banker. A small company, for instance, operating in a given territory, is subject to business depressions which might be only local and may confine itself to one line of endeavor. Companies of the size of Consolidated Gas and Commonwealth Edison of Chicago and many other of equal size reap the benefit of diversification through the congestion of the territory in which they operate but these conditions do not apply to the smaller utility company. The holding company masses the capital from all sources for investment in any number of smaller companies with diversified sources of revenue both as to character of business and territory in which operations are conducted. Investments by

Increased Borrowings of Capital by Public Utility Corporations

	In Billions of Dollars					
	1920	1921	1922	1923	1924	1925 (est.)
Total New Corporate Securities	2.936	2.391	3.073	3.323	3.838	5.044
Public Utilities	0.496	0.671	0.980	1.138	1.530	1.922
P. U. % of Total	16%	28%	31%	35%	40%	38%

banks are diversified as are crops by the farmer. The holding company masses the capital and diversifies in the investment in the smaller organization which conducts the operations.

The second main argument justifying the holding company is the massing of capital. Holding companies practically act as bankers for the operating companies providing capital on more advantageous terms than could otherwise be obtained. The size of the holding company is such that it can obtain capital on better terms than the smaller companies.

An Instance in Florida

The rapid expansion of the state of Florida in the past two years is a case in point on the function of the holding company. A year ago, American Telephone & Telegraph Co., it is estimated, had an investment through subsidiary companies in the state of $7,500,000. It is estimated now that by the end of this year, the company will either have installed or about to be installed additional equipment which will cost $11,000,000. American Telephone & Telegraph Co. is somewhat of a holding company by reason of its holdings in many subsidiaries. In this case, the company advanced the money to its subsidiary which is thus enabled to go ahead and make needed additions and improvements to service which to a large extent may not become revenue producing for some time. The funds can be provided on a reasonable interest basis owing to size of the parent organization. Again, there are probably few small companies with a capital of $7,500,000 which would have been able to more than double its original capital within a short space of time.

General Gas & Electric Co. furnishes another case in point, also operating in Florida. Within the past year there have been applications from some twenty small communities within the state operating their own municipal plants to have the company make arrangements to supply the towns with light and power. To do so will require the investment of some $2,000,000 or more, a sum which it is doubtful the communities could raise on advantageous terms to operate the plants, some of which are unprofitable. It is but a small matter for the holding company to provide the additional capital should it decide to take over the plants.

As to these two major aspects of the function of the holding company there can be little cause for controversy. The second point, massing of capital, is by far the more important. During the next ten years capital must continue to be raised by the public utility companies on an even larger scale than heretofore. It would not be logical to say that the individual operating companies could not raise the necessary capital for expansion but it cannot be gainsaid that the holding company offers the better means of doing so at equitable rates.

Few perhaps realize the huge amounts being spent by public utility companies each year. The expansion era dates from post-war times and became particularly pronounced in 1924. It is estimated that in the next ten years the public utilities of this country will have to raise 7.5 billions of dollars for expansion. This is at the rate of 15 millions of dollars each week. Analysis of new issues for the first six months of this year shows that public utilities in this country raised through this source 960 millions of dollars out of a total of all corporate issues of 2,522 millions, or 38% of the total. For the year it is estimated that utilities will raise close to 2 billions of dollars through new issues of securities. The figures are shown merely to illustrate the magnitude of the problem of expansion which the utilities have ahead of them.

Much has been heard of super-power. This is a new word but not a new idea. The idea dates back 25 years when several small companies made agreements for interchange of power and made the necessary mechanical connections. What the holding companies have been doing is to group a number of properties together under the one management and then make physical connection of the transmission lines.

Super-power systems on a large scale are now an accomplished fact. The holding company with its control of properties in different territories has been the most important factor in bringing this about. Contrary to a belief which has obtained much credence, utilities are not seeking to produce electrical energy at points where it can be produced cheaply and then shoot it hundreds of miles to where it can be used. This may come in time but has not as yet. Electric energy for all practical purposes now can be sent economically about 250 miles. As a matter of fact it is being sent this distance without interruption in California where electricity generated at the Pitt River development in the mountains is shot direct over lines to San Francisco. Illustrating the connection of lines, electricity could be sent from the Canadian border on the north to the Mexican border through the state of California.

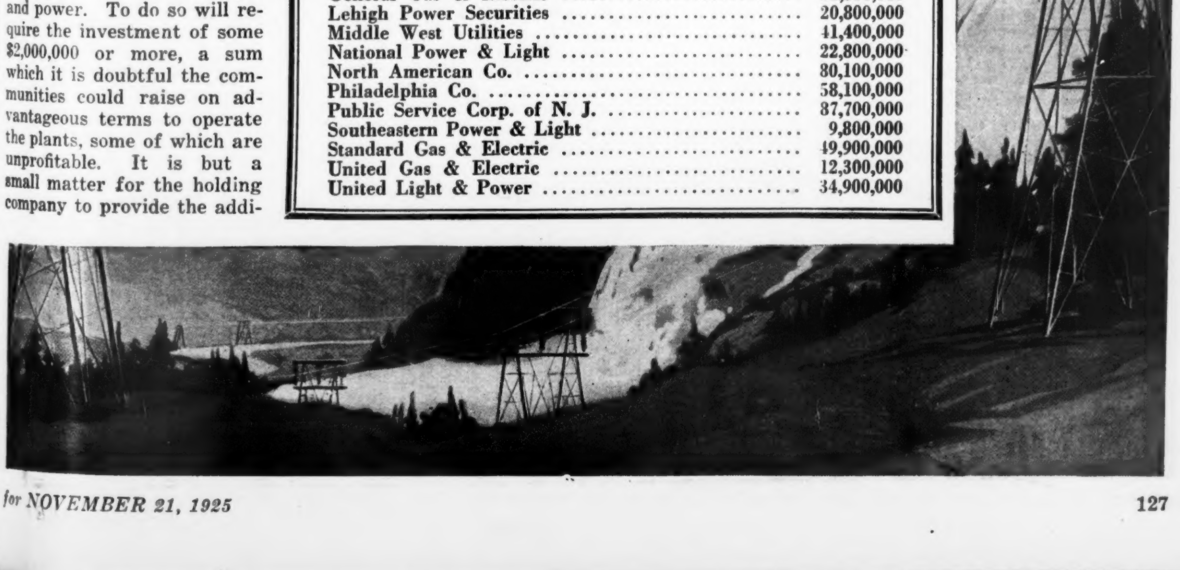
Large Organizations Develop New Field

Use of electricity on the farms of this country is a field which utility operators maintain will provide in future years the greatest basis for expansion after needs of more congested territory are satisfied. It is a simple enough prop-

(Please turn to page 164)

Principal Public Utility Holding Companies in the United States

Company	Consolidated Gross Earnings 1924.
American & Foreign Power Corp.	$6,500,000
American Gas & Electric	37,000,000
American Light & Traction	33,000,000
American Power & Light	42,000,000
American Water Works & Electric	38,300,000
Associated Gas & Electric	9,300,000
Electric Power & Light	40,000,000
Federal Light & Traction	5,600,000
General Gas & Electric	18,300,000
Lehigh Power Securities	20,800,000
Middle West Utilities	41,400,000
National Power & Light	22,800,000
North American Co.	80,100,000
Philadelphia Co.	58,100,000
Public Service Corp. of N. J.	87,700,000
Southeastern Power & Light	9,800,000
Standard Gas & Electric	49,900,000
United Gas & Electric	12,300,000
United Light & Power	34,900,000



The Three Most Attractive Stocks in Each of Ten Important Industries

NOTE: The following selections are based on pure investment considerations such as earnings, financial position and outlook. Few of these stocks have advanced sensationally in the present market and, in fact, we have rigorously excluded from the list those which have already had a large rise. Owing to mechanical difficulties we are unable to change the prices noted, while this issue is in preparation. In the event that any of the issues recommended advance considerably before this number is released to the public, the investor should not buy without considering that fact. Indeed, he should wait for an appreciable reaction.

Name	Net Earnings per Share (Based on shares outstanding each year) 1923	1924	1925*	Recent Price	Dividends ($ per Sh.)	Yield %	Percentage of 1925 earnings to *market* price	REMARKS
RAILROAD								
Illinois Central	$13.55	$12.41	$13.20	$118	$7	6.0	11.2	Sound railroad investment, entitled to sell higher on established earning power.
Norfolk & Western	12.85	13.85	17.80	140	7	5.0	12.7	Record-breaking earnings; will ultimately belong to Pennsylvania System; attractive.
So. Pacific	12.93	9.60	8.40	98	6	5.9	8.6	Has hidden equities in Mexico and elsewhere; sound investment issue.
PUBLIC UTILITY								
Consol. Gas (N. Y.)	7.77	7.51	NF	94	5	5.3	...	Earnings justify higher dividend; favorable outcome from rate litigation in prospect.
Philadelphia Co.	7.47	5.91	7.10	59	4	6.8	12.0	Profiting from increased activity in Pittsburgh district; attractive investment.
Public Service of N. J.	6.23	6.77	9.10	82	5	6.1	11.1	Earnings holding up well; serves a growing territory; good outlook.
IRON AND STEEL								
Sloss-Sheffield	20.22	10.47	12.50	114	6	5.2	11.0	Aggressive management, aided by industrial expansion of South, building immense business; large earnings.
U. S. Steel	16.42	11.73	13.00	133	7†	5.2	10.0	Immense surplus and earnings nearly twice dividend places stock in line for cash or stock extras.
Youngstown Sheet & Tube.	14.94	6.88	13.00	89	4	4.2	14.6	Will earn about three times current dividend; could pay $7; distinctly underrated.
MINING AND SMELTING								
Amer. Smelting & Refining.	8.84	12.60	16.00	120	7	5.8	13.3	Prospering on increased demand for lead and zinc; current earnings warrant further dividend increases.
Kennecott Cop.	0.96	2.02	5.75	57	3	5.3	10.9	Showing continued improvement; one of most attractive stocks in copper group.
Anaconda Cop.	2.92	2.23	6.50	51	3	5.9	12.7	Leading copper producer; will benefit from higher copper prices; attractive for long pull.

Name	Net Earnings per Share (Based on shares outstanding each year) 1923	1924	1925*	Recent Price	Dividends ($ per Sh.)	Yield %	Percentage of 1925 earnings to *market* price	REMARKS
PETROLEUM								
Marland Oil	2.71	1.68	10.00	54	3	5.5	18.5	Tremendous expansion in production and earnings foretells higher prices.
Pan-American Pet. "B"	7.95	5.67	9.00	74	6	8.1	12.2	Earnings holding up well; recapitalization strengthens position; stock undervalued.
Texas Company	1.25	4.02	6.00	51	3	5.9	11.8	Showing consistent growth in earning power with exceptional stability of operations.
AGRICULTURE								
Armour & Co. "A"	2.71	4.51	6.00	26	2	7.7	23.0	Economies from Morris & Co., merger increase earning power of stock; could pay larger dividend.
Cudahy Packing	8.30	16.08	13.00	101	7	6.9	12.9	Gross sales running 5% ahead of last year with increased profits in both foreign and domestic divisions.
Int. Harvester	6.07	8.82	12.00	127	5	4.0	9.5	New bus manufacturing enterprise successful; benefiting from farm prosperity with good outlook for 1926.
EQUIPMENT								
Amer. Steel Foundries	9.67	5.75	4.25	42	3	7.1	11.2	Repair business sustaining operations; orders for new equipment brighten earnings outlook.
Fairbanks Morse	8.55	4.49	6.75	48	2.60	5.4	14.1	Volume of business 30% increase over last year; dividend increase probable.
Gen. Amer. Tank	4.66	5.61	6.50	55	3	5.4	11.8	Unusual stability of earnings; large orders received in last quarter assure steady operations for beg'ing of 1926.
MERCHANDISING								
R. H. Macy & Co	7.69	6.70	9.50	106	..	..	9.0	Exceptionally successful merchandising company with earnings on upgrade.
May Department Stores	10.64	12.10	NF	133	5	3.8	...	Gross sales holding to last year's level; stock has not participated in rise and is undervalued.
National Cloak & Suit	14.00	11.28	14.00	73	4	5.5	19.2	With earnings showing continued improvement, stock is selling out of line with other mail order stocks.
TEXTILE								
Belding Bros	3.48	1.40	5.00	37	3	8.1	13.5	Attractive stock in silk industry recently offered for public subscription at slightly above current price.
Cluett Peabody	15.10	6.95	7.50	71	5	7.0	10.6	Acquisition of Earl & Wilson and Canadian property of Van Heusen places company in strong position.
Julius Kayser	10.25	def.	5.30	37	3	8.1	14.3	Emerged from last year's depression in good financial condition; attractive speculative investment.
CHEMICAL								
Allied Chem. & Dye	7.54	7.25	9.00	110	4	3.6	8.2	Having record year with earnings highest in the history of the company.
Amer. Agri. Chem. Pref	1.76	0.40	7.19	76	..	...	9.5	Dividend resumption looked for in near future; accumulation of $27 a share included in present price.
U. S. Ind. Alcohol	11.23	11.47	15.00	91	..	...	16.5	Continued good earnings and strong financial condition warrant dividend payments.

*Estimated from current reports. NF No data available. †Including extras.

Virtues—and Otherwise—of Eight Stock Exchange Debutantes

How Will They Act in Maturity?

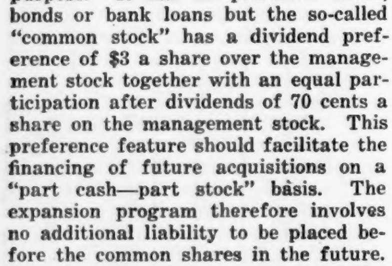
In accordance with the practice of this publication to describe the nature of the business and value of securities newly listed on the New York Stock Exchange, we offer the accompanying eight brief analyses. While most of the stocks described here are attractive, it ought to be understood that they are necessarily unseasoned in view of their recent market listing and that purchase be limited to only small lots and then only when in agreement with the investment needs of the individual.

LEHN & FINK

(*Outstanding* 265,000 *shares no par common stock*)

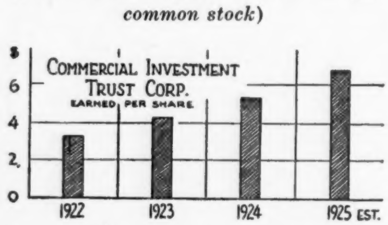
Lehn & Fink Products Co. was recently created as a holding company through the merger of Lehn & Fink, Inc., and A. S. Hinds Co., two successful manufacturers of drugs and drug products for over half a century. In addition to its present popular products such as "Pebeco Tooth Paste," "Hinds' Honey and Almond Cream" and "Lysol," the new company plans to acquire other similar lines and devote considerable attention to exploitation of foreign markets. Capital structure of the company is ideal for this purpose. It has no preferred stock, bonds or bank loans but the so-called "common stock" has a dividend preference of $3 a share over the management stock together with an equal participation after dividends of 70 cents a share on the management stock. This preference feature should facilitate the financing of future acquisitions on a "part cash—part stock" basis. The expansion program therefore involves no additional liability to be placed before the common shares in the future. The July 1, 1925, balance sheet of the new company shows net working capital of $1,101,947 with a ratio between current assets and current liabilities of about ten to one. Except for a reserve of one million dollars set up to guarantee the former companies' creditors against loss in the liquidation of their business, the company has no other liability ahead of the stock. This guarantee fund probably will not be a liability when liquidation of former companies is completed.

Earnings of the consolidated companies have been unusually stable. Calculated in terms of dollars per share on the stock of the new company, as shown in the accompanying chart, they average $4 a share or over 10% on the current market price of the stock of 38. Aside from the normal growth of the business, operating economies resulting from the merger should increase this per share earning power for the future. *From the standpoint of investment return (the stock pays $3 dividends) as well as speculative possibilities the stock seems attractive.*



COMMERCIAL INVESTMENT TRUST CORP.

(*Outstanding* 350,000 *shares no par common stock*)



Operating through its four subsidiaries, the Commercial Investment Trust Corporation supplements the usual financing done by banks, and extends credit to manufacturers and merchants against a wide variety of products such as automobiles, electrical appliances and machinery purchased on the instalment plan. June 30, 1925, balance sheet discloses the principal capital resources to include notes and accounts receivable of slightly less than 50 million dollars and cash on hand of 7.8 millions. The capitalization of the corporation is represented in gold notes, preferred and common stock.

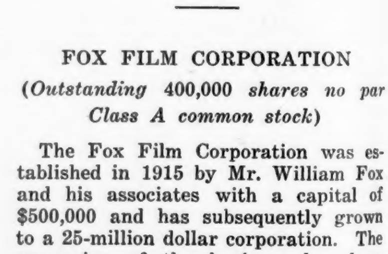
As the income is derived from a banking function, the stock of the company occupies a position similar to that of bank stocks. There are, however, a number of important and interesting factors which distinguish this stock from the shares of banking companies. Thus, stockholders have no liability other than the cost of their investment. While the holding company does not come under the supervision of the State Banking Department, its principal subsidiary, the Commercial Investment Trust, Inc., does operate under a section of the New York State Banking Law.

The company does not have the liability of deposits subject to withdrawal on demand. Its capital is obtained by issuing gold notes and preferred and common stock. While the interest paid out on this capital is considerably higher than interest paid by the banks on deposits, the banks pay a large "service cost" for the use of their deposits. *On the whole, the disadvantages are offset by the advantages and from the point of view of stability, investment strength and inherent possibilities of enhancement of value, the common shares of the Commercial Investment Trust Corporation are comparable with the stocks of well managed banking institutions. At the present market price of 75, paying a dividend of $2.50 per share, the income return is approximately 3.3% or about the same return that an investor receives nowadays from a good bank stock investment. Earning power of the stock, as charted, shows healthy growth during the past three and a half years.*

FOX FILM CORPORATION

(*Outstanding* 400,000 *shares no par Class A common stock*)

The Fox Film Corporation was established in 1915 by Mr. William Fox and his associates with a capital of $500,000 and has subsequently grown to a 25-million dollar corporation. The expansion of the business has been financed almost entirely out of earnings. Today, the company distributes its pictures throughout the United States and Canada and twelve foreign countries and owns twenty-six subsidiary companies engaged in the production and distribution of films. The backbone of the company's earnings is its production of from 200 to 250 films a year of two-reel comedies, one-reel varieties and educational pictures. In addition several "feature" pictures are produced at a large cost each year and widely distributed. Because of the tremendous expense, however, these films on the average are not nearly so profitable as the one and two reel films and



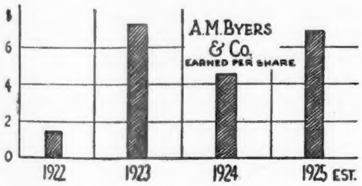
are highly speculative from the earnings standpoint.

Recent statements show that Fox Film has the strongest cash position of any of the moving picture companies. Its cash account stands in excess of 8.3 millions and the total current assets of over 15.6 millions compare with 1.1 million of current liabilities. Average earnings over the past four years, however, as indicated in the accompanying chart provide only a small margin over the current dividend of $4 a share. It is suggested that the increasing value of real estate holdings represent a source of hidden earning power which does not show up in the company's statements. Aside from the possibility that any such increment of value (if it exists) may be transferred to shareholders through a stock dividend, the profit realized from manufacture and sale of films seems to be low in relation to the present market price of the stock. *Investors who look to the moving picture industry for profitable use of their funds might well give preference to a stronger issue such as Famous Players common.*

A. M. BYERS COMPANY

(*Outstanding* 150,000 *shares of no par common stock*)

A. M. Byers Company manufactures about 50% of the present production of genuine wrought iron pipe and has marketed its product under the "Byers" trade mark since 1864. The company sells directly to railroad, public utility and oil companies and through jobbers to builders and manufacturers. Byers



Pipe is conceded in the trade to be a high quality product of exceptional durability. Although the production of cast iron pipe has increased greatly in recent years, the increase has not been at the expense of wrought iron pipe. The two products have distinctly different uses and are not sold competitively.

The company is in a strong financial position with current assets of 6.6 millions against current liabilities of slightly above a half a million. Cash and investments total almost 2 million dollars.

Capitalization consists of 5 millions first mortgage bonds, 4.5 millions preferred stock, both of which were issued in the early part of the year, and 150,000 shares of no par common, recently listed on the New York Stock Exchange. The earnings during the last three and one-half years shown on the accompanying chart have fluctuated rather widely but have provided a surplus available for the common shares in each year. *At the current level of 30, the shares seem attractive as a non-dividend paying speculative issue.*

PATHE EXCHANGE, INC.

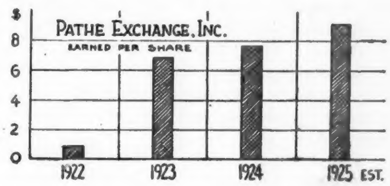
(*Outstanding* 156,200 *shares no par Class A common stock*)

In many respects, Pathe is acknowleged a pioneer in the moving picture industry. It was the first company to introduce moving pictures in the United States as a commercial proposition. It introduced the first "news reel," the comic and educational films and other technical improvements which standardized the industry. Continuing to lead the pace as a pioneer, the company has more recently introduced the Pathex Camera and Projector for amateur use which sells for around $100. It also has recently obtained exclusive manufacturing rights in this country for non-inflammable film.

Sales of the new Pathex camera are reported by officials of the company to exceed expectations. The camera is intentionally sold at a small margin of profit with the purpose of stimulating profits in the sale of special film for this camera. The cost of the film includes development in the laboratories of Pathex, Inc., a subsidiary. On the basis of sales to date it is calculated that a substantial yearly income will be realized on this film over and above profits on the sale of the camera and projector.

In the exploitation of the new non-inflammable film, Pathe has become affiliated with the Du Ponts, manufacturing the raw film through a subsidiary called the Du Pont Pathe Film Manufacturing Corporation. Pathe owns 49% of the common stock of this subsidiary. In the distribution of its regular films, Pathe serves 13,000 of the 18,000 moving picture theatres in the United States. From this business it averaged a profit of around $7 a share on the common stock in 1923 and 1924. Its new enterprises have increased this year's earnings to the annual rate of about $9 a share.

Recent statements show a strong financial position with net working capital of over 5.5 millions and a ratio of almost ten to one between current assets and current liabilities. In order to conserve cash assets for the successful conduct of its new enterprises, Pathe pays a dividend of 5% in common "A" stock. *Selling currently at about* 75, *Pathe "A" stock has already somewhat discounted its position but still possesses fair speculative possibilities for the future.*



December 5th Issue, Special Re-Investment Number

THIS is the usual period for re-investment of profits and surplus income. In order to familiarize readers who may desire to take advantage of special opportunities in securities, we have prepared a special section which will cover all the broad investment fields with tables listing many of their most attractive securities. Among the subjects are:

1. **Building and Loan Shares**
2. **Real Estate Mortgages**
3. **Municipal Bonds**
4. **Bank and Insurance Stocks**
5. **Joint Stock Land Bank Issues**
6. **Public Utility Securities—Listed and Unlisted**
7. **Railroad Issues, Including Guaranteed Stocks**
8. **Miscellaneous Industrial Securities.**

In addition to the above, is a special feature devoted to an analysis of the prospects for each stock listed on the N. Y. Stock Exchange which sells at $20 a share or under. The twenty best of these stocks will be analyzed separately, the rest being listed in a table giving essential data and a brief opinion on the value of the security. This ought to make a valuable reference work for all types of investors.

Of course, in addition to these features are others, many of equal interest and value to business men and investors. For sheer volume of information, we believe this issue of THE MAGAZINE OF WALL STREET will set a new record.

Stock Exchange List Broadens Out

During the past year, several score stocks, most of which are unfamiliar to the general investing public, have been added to the New York Stock Exchange list. These represent diversified industries such as banking, chemical, moving pictures, sugar, petroleum, household equipment. To-day, hardly an industry, no matter how small, is unrepresented among Stock Exchange securities. Among such securities, for various reasons, opportunities for both investment and speculation may be found. Stock Exchange listing requirements are rigorous, and offer a protection to investors. From time to time, we shall cover these new stocks to acquaint our readers with their status. It must be remembered, however, that with new stocks which have yet to meet a market test, a little "seasoning" generally adds strength.

EUREKA VACUUM CLEANER

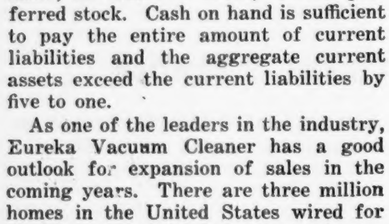
(*Outstanding* 250,000 *shares no par common stock*)

The Eureka Vacuum Cleaner Company makes more electric cleaners than any other producer in the industry. It manufactures only one standard product. This results in highly efficient production and sales activities and enables the company to turn out a superior product at a tempting price.

Producing electrical cleaners at the rate of one thousand a day, about 65% of the output is sold by employees on a commission basis; 25% are sold by representative public utility companies and the balance is marketed through jobbers. This efficient sales organization is responsible to a great extent for the fact that one out of every four electric cleaners sold is an Eureka product.

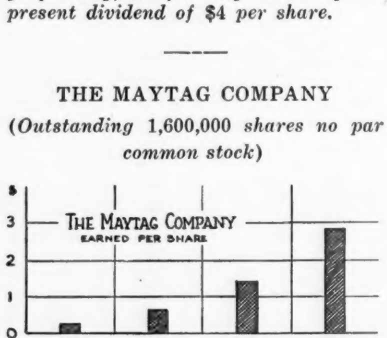
The company has a simple capital structure, consisting of 250,000 shares common of no par value. Latest balance sheet shows no borrowings at the bank; no bonds or notes, and no preferred stock. Cash on hand is sufficient to pay the entire amount of current liabilities and the aggregate current assets exceed the current liabilities by five to one.

As one of the leaders in the industry, Eureka Vacuum Cleaner has a good outlook for expansion of sales in the coming years. There are three million homes in the United States wired for electricity in which the electric cleaner is not used. The foreign markets, where the company is already well entrenched, offer additional sales potentialities. With the decided tendency to use electricity—the white coal—to replace human toil wherever practical, Eureka should continue to grow in importance and value. *Its capital stock at 50 offers an attractive speculative opportunity with earnings, as shown graphically, comfortably exceeding the present dividend of $4 per share.*



THE MAYTAG COMPANY

(*Outstanding* 1,600,000 *shares no par common stock*)



The business of the Maytag Company was started over thirty years ago in a modest way to manufacture feeders for threshing machines. It prospered sufficiently to add new lines of farm implements but continued within narrow limits until 1911 when an electric washing machine was added to the company's line of products. In less than three years the sales of washing machines exceeded that of all other products and grew to such proportions that other implements were discontinued several years ago.

A modern plant at Newton, Iowa, represents an investment of slightly less than 1.7 million dollars. In the early part of this year, total employees numbered 875 but the number has subsequently been nearly doubled, due to greatly increased sales activity.

An aggressive sales policy, recently inaugurated, and the effect of increased sales on earnings are the basis for the present stock market valuation of Maytag capital stock. With 1,600,000 shares of no par value at the current price of around $25 a share, the total valuation of the stock is approximately 40 million dollars. This valuation compares with a plant and equipment worth less than 2 millions at the company's own valuation and total assets of less than 7.5 millions. Obviously, the current price of the stock is based purely on earnings reported to be running at the rate of about $2.90 a share Whether the present earning power can be sustained is doubtful As a pioneer in the washing machine field, Maytag flourished. It is operating today in an over-crowded industry against stronger competitors. *The stock seems to have little investment or speculative appeal at its current price level of 25.*

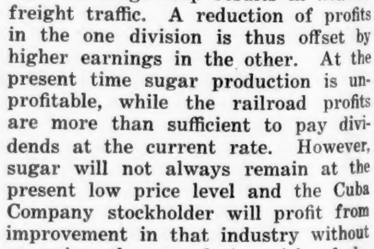
CUBA COMPANY

(*Outstanding* 640,000 *shares no par stock*)

For a quarter of a century, the Cuba Company has operated as a holding company, originally controlling railroads and later, sugar plantations and other important industries on the Island of Cuba. The railroad system, aggregating over 980 miles, serves the eastern half of Cuba almost exclusively and the sugar enterprises consist of more than 300,000 acres, with two of the finest and largest mills on the island.

Company is capitalized with 14 millions funded debt, 2½ millions 7% preferred stock and an outstanding issue of 640,000 shares of no par value common stock which were recently listed on the New York Stock Exchange. Book value of all property investments is in excess of 125 million dollars. The accompanying graph shows average earning power on the common stock during the past three years of approximately $7 a share, which provides a comfortable margin over the present $4 annual dividend.

Sugar and railroad transportation are a happy combination of operations for the company. A large crop usually means lower prices but at the same time the large crop results in heavier freight traffic. A reduction of profits in the one division is thus offset by higher earnings in the other. At the present time sugar production is unprofitable, while the railroad profits are more than sufficient to pay dividends at the current rate. However, sugar will not always remain at the present low price level and the Cuba Company stockholder will profit from improvement in that industry without assuming the speculative risk of depending entirely on higher sugar prices for a return on his investment. *At the current price of 50, Cuba Company common appears undervalued.*



Seven Undervalued Preferred Stocks

A Brief Analysis of Seven Preferred Stocks Which Combine Generous Yield and Prospects for Market Appreciation

IN the rush for speculative profits, the investor is apt to overlook the possibilities for unusual yield and market appreciation in the slower moving preferred shares. There are still many stocks in this group which yield better than 7% and, in some cases, considerably more. In the present market, such opportunities for high yields are no longer common.

Securities of this type, of course, are not high-grade. There may be considerable variation as regards investment quality. Nevertheless, the issues here selected all have peculiar claims to challenge the attention of the buyer who is content to try for modest profits and, at the same time, wishes to secure a generous dividend return.

Lack of seasoning, irregularity in earnings records or mere failure of the investing public to properly appraise the inherent value of these preferred stocks appear the sole reasons for present undervaluation marketwise. A study of the accompanying table will show that each of these issues is well protected from the standpoint of average earning power and financial strength.

BURNS BROS. 7% CUM. PFD. Burns Bros. is the principal factor in the retail coal trade in New York City. The company's sales are predominantly anthracite coal. In 1921, Burns Bros. absorbed one of its strongest competitors, Wm. Farrell & Sons, Inc., thus materially strengthening its position.

The recapitalization which followed this acquisition resulted in a considerable expansion in outstanding obligations ahead of the common "A" and "B" stocks. This accounts, in large part, for the rather slender margin of safety over dividends requirements on the junior securities in recent years. In other words, earnings have not kept pace with the growth in capital account.

Control of Burns Bros. passed to new interests some months ago since which time its field of operations has been enlarged by the acquisition of other distributing companies in the metropolitan district. Whether this expansion program will ultimately result in benefit to the junior shareholders remains to be seen.

At the same time, the company has a well developed earning capacity and financial position is strong. After allowance for dividends and sinking fund charges on the 7,391 shares of 7% prior preference stock, earnings available for the 26,300 shares of 7% cumulative preferred have averaged $38.54 a share during the past four years.

The preferred stock is thus in a relatively stronger position than the common stocks and is amply safeguarded by equities and earning power. Both prior preference and preferred shares are being steadily cut down through operation of sinking funds, which tends to further strengthen the investment position of the issue under discussion. Accordingly, this stock seems attractive.

CHRYSLER CORP. $8 CUM. PFD. In June, this year, Chrysler Corporation succeeded to the business of the former Maxwell Motor Corp. The new company acquired all the assets and assumed all the liabilities of the old. In effect, this succession involved merely a change of name and the issue of shares in the new company for stock in the old.

In addition to 218,800 shares of common stock which Chrysler has outstanding, the company also has 275,000 shares of $8 cumulative preferred stock which were involved in the exchange for Maxwell "A." The preferred stock is preceded by 3.5 million dollars of Maxwell Motor Corp. 1st mortgage 5½% notes.

The earnings record of the Maxwell Corp. in former years was not impressive. However, with the advent of the present management in 1921, and the subsequent improvement in the motor industry in 1923, remarkable strides began to be made.

The Chrysler four- and six-cylinder models have proven exceedingly popular with the public. The present Chrysler organization inherited a vastly improved financial and operating organization when it fell heir to the Maxwell business this year. The steady expansion in earnings has continued. As of June 30, the new company had current assets of 33.39 million dollars against but 8.48 millions of current liabilities. In view of the remarkable earnings of the third quarter, this showing has been considerably improved.

The $8 preferred stock cannot be regarded as a high-grade investment because of the comparatively brief career of the new company and the relative recency of its rise to prominence in the motor world. Earnings in the first half-year, however, were equivalent to $37.46 a share, or more than nine times dividend requirements. Obviously, the preferred dividend is comfortably pro-

Statistical Comparison of Seven Attractive Preferred Stocks

Preferred Stock	Amt. Outstanding (In Millions of Dollars)	Bonded Debt (In Millions of Dollars)	Working Capital (In Millions of Dollars)	Mkt. Value Junior Securities (In Millions of Dollars)	Redeemable at	Earned $ per share 1922	Earned $ per share 1923	Earned $ per share 1924	Div. Rate %	Mkt. Price	Yield %
Burns Bros.	[1]2.63	0.13	6.21	12.47	110	30.50	36.01	39.81	7	98	7.1
Chrysler Corp. ...	21.88	3.50	24.92	162.70	115	*	*	[2]37.46	8	111	7.2
Hayes Wheel	1.84	[3]0.57	4.28	9.46	110	†	†	38.91	7.5	104	7.2
Kayser (Julius)...	[4]7.93	3.61	10.40	4.17	120	[5]25.93	[5]D-6.45	[5]17.78	8	101	7.9
Mullins Body	0.96	none	0.99	1.45	110	11.68	10.63	31.03	8	84	9.5
Reid Ice Cream...	2.13	2.30	0.96	8.25	110	‡	‡	[6]13.92	7	99	7.1
Universal Pictures...	2.92	0.11	6.72	[7]6.15	110	30.83	42.22	59.50	8	98	8.2

[1]Preceded by $739.100 prior preference stock. [2]Six months ended June 30, 1925. [3]To be retired presently. [4]Represented by 66,115 no par shares. [5]Years ended Aug. 31, 1923, 1924 and 1925. [6]Five months ended May 31, 1925. [7]Exclu- of 2nd pfd. stocks. ‡Co. organized Dec., 1924. †Preferred issued Mar., 1924. *Company organized June, 1925.

tected by earning capacity as well as assets. The issue is an attractive holding for its generous return.

HAYES WHEEL 7½% CUM. PFD. Though intimately related to conditions in the motor industry, the business of Hayes Wheel Co. has shown a considerable degree of stability for one of its particular type. The business was organized in 1908 with a capitalization of but $50,000. It has grown progressively with the steady expansion of the motor industry. Its operations comprise the manufacture and sale of wheels for automobiles and vehicles. Dividends varying between 6 and 20½% have been paid on the common stock since 1911, exclusive of occasional stock dividends.

Early last year, the company issued 18,382 shares of $100 par value 7½% cumulative preferred stock in exchange for shares of the Hayes Motor Truck Wheel Co., Albion Bolt & Nut Co. and the Morrison Metals Stamping Co. This issue is redeemable, as a whole only, at $110 a share.

It is preceded by $570,100 first mortgage bonds which are to be retired in the near future out of available cash balances. Redemption of this bond issue, obviously, will add materially to the investment strength of the preferred shares by removing the sole prior obligation.

While the company reported a strong financial position as of June 30, 1925, its working capital has been materially increased since then as a result of good earnings in the third quarter. Current assets, at that time, amounted to 5.02 million dollars against but $743,631 of current liabilities. There are no bank loans.

Earnings in 1924 were equivalent to $38.91 a share for the preferred stock and during the first half of 1925 net profits were equivalent to $47.89 a share. *The company's past record and the wide margin of safety over preferred dividends entitle this issue to consideration as an attractive issue for investment purposes. At recent market prices around* 104 *the shares yield* 7.2%.

JULIUS KAYSER 8% CUM. PFD. The silk industry has fully recovered from the harrowing experiences of 1923 and 1924. Earnings are again satisfactory. Julius Kayser, one of the leading manufacturers of silk gloves, hosiery and underwear, recently placed its common stock upon a dividend basis as a result of this improvement.

The company was recapitalized in 1922, at which time the present 7.93 millions of no par preferred stock was issued and the old first and second preferred shares retired. Dividends were paid without interruption on these issues since the company was organized in 1911. The record of unbroken payments has been maintained in the case of the present issue.

The shares have not yet cast off the speculative quality acquired during 1924 when there was some question as to the safety of preferred dividends. In that year, Kayser along with other silk manufacturers, encountered a severe depression and for the first time earned an operating deficit.

The company has always maintained a strong working capital position, however, and in 1924 improved its financial status despite the deficit referred to. As of August 31, 1925, current assets amounted to 11.51 million dollars against 1.11 million of current liabilities, a ratio of more than ten to one. The 3.51 millions of first 7% mortgage bonds now outstanding ahead of the preferred stocks, are being reduced through a 2½% annual sinking fund. At the close of August, Kayser held $400,200 of these bonds, purchased in advance of sinking fund requirements.

The position of the preferred stock has been strengthened by the marked improvement in earnings since 1924. *Hence, the shares appear attractive both from the standpoint of yield and possibility for moderate price appreciation.*

MULLINS BODY 8% CUM. PFD. The title of this company does not adequately convey a fair idea of the nature of its activities. Mullins Body is primarily engaged in stamping and pressing steel for automobile bodies, fenders and the like. In addition, it manufactures the Mullins non-sinkable steel boat, launches, canoes, statuary, architectural ornaments and sundry other metal products.

The company is a relatively small concern with an investment of 2.5 million dollars in plant and equipment. Working capital as of June 30, 1925, amounted to 1.17 million dollars of which $134,626 was cash. There is no funded debt and bank loans totaled but $95,000 compared with $505,000 a year previous. Financial condition, therefore, is satisfactory.

Dividends on the $964,000 of 8% cumulative preferred stock have been paid without interruption since the present company was organized in July, 1919. The earnings record is somewhat uneven, although income available for dividends on the preferred has averaged $25.45 a share during the past five and one-half years, despite a deficit of $288,793 after payment of common and preferred dividends in 1921. No dividend has been paid on the common stock since Feb., 1921.

The company numbers among its customers such leading motor car producers as Pierce-Arrow, Peerless, Hupp and Nash. Since 1923, it has expanded operations profitably by producing parts in volume rather than by attempting to specialize in small production for high-priced cars, as formerly.

Earnings per share of preferred were equal to $31.03 in 1924 and $9.06 in the first half of the current year. The preferred yields 9.5% at recent market prices around 84. *The issue is not well suited for those unable to assume a certain speculative risk, since the company is engaged in a highly competitive industry. Moreover, the shares have an inactive market which may necessitate some shopping and considerable patience to consummate a purchase. The high yield, however, offers considerable compensation for these disadvantages.*

REID ICE CREAM 7% CUM. PFD. Reid is one of the recent entries in the growing ice cream industry. That is, the present organization was formed in December, 1924, although the business was established more than forty years ago. The company manufactures and sells ice cream, powdered flavors, bottled milk and related products to large consumers, including restaurants and stores. Its operations cover the district embracing New York City, Long Island, northern New Jersey and southern Connecticut.

Operations of the predecessor organization were uniformly profitable in each of the years of its existence. Expansion in earning power has been especially pronounced in recent years. Net sales, for example, increased from 5.19 million dollars in 1920 to 8.29 millions last year.

Net profits have shown equally impressive growth, barring a slump in 1923. In that year, labor difficulties at the company's plants interrupted the steady rise in net income from $186,391 for 1920 to 1.0 millions in 1924.

The 7% cumulative preferred stock is preceded by 2.0 millions of 6% notes and followed by 150,000 shares of no par common stock having a current market valuation in excess of 8 million dollars. Working capital, as of May 31, 1925, amounted to $960,729, which may be considered ample for a business of this kind. Approximately 85% of the company's sales are conducted on a cash basis and inventory turnover is rapid.

Dividends on the preferred stock were earned nearly twice over in the first five months of the current year, indicating a high margin of safety over requirements. This issue is further protected by restrictive provisions with respect to bond issues and by sinking fund requirements which provide for annual retirement of 3% of the greatest amount of preferred outstanding in each year.

The probability of further steady expansion in Reid's earning power and the comparatively stable nature of the business entitle the preferred shares to serious consideration as an attractive investment security.

UNIVERSAL PIC. 1st 8% CUM. PFD. Universal Pictures was organized in January of the current year to succeed a company of the same name. The business was founded in 1909 with a capital of but $25,000 as Imp Films Co. Operations comprise the production, distribution and exhibition of motion pictures under the trade names, "Jewel" and "Universal Attraction."

The company owns a chain of 15

theatres in the United States and 5 in foreign countries. Plants are located at Ft. Lee, N. J., and Universal City, California. In addition to its own productions, Universal also distributes "International" news reels and "Century" comedies through its 40 wholly and partly owned exchanges in the United States and Canada.

Earnings of the original Universal Pictures Corp. reflected substantial and consistent growth up to the time the present company was formed. Gross rose from 16.09 million dollars for the year 1921 to 22.78 millions last year. Net income, applied to the present outstanding issue of Universal Pictures first preferred, increased from $21.12 a share to $59.50 a share during this same period. This record of expansion has continued under the new corporation, as indicated by net profits of $47.47 a share for the preferred in the first half of 1925.

Aside from a small real estate mortgage, the company has no capital obligations prior to its first preferred shares. The strong asset position of this issue is demonstrated by the fact that working capital, as of May 9, 1925, was 6.72 million dollars compared with but 2.92 millions of 8% preferred stock outstanding.

On the basis of equities and earning power, therefore, the 8.2% yield afforded by the first preferred stock justifies the opinion that this security is undervalued at current prices around 98.

Securities and Commodities Analyzed in This Issue

Preferred Stocks

THE severe reaction in the stock market with the onslaught on prices on common stocks was without effect on quotations for preferred shares. Investors have been more inclined to place their funds in this section of the list owing to the attractive income obtainable, as compared with ruling rates for money, and the satisfactory protection afforded by good issues, both as to assets and assurance of income due to earning power. With common stocks breaking from 10 to 40 points, it was only natural that preferred stocks did not make price progress, but their good position was emphasized by their ability to hold price levels attained prior to the break in the market. We still feel this section of the list is attractive to the investor and that opportunities are available in the middle grade and speculative sections of the Guide, whereas, in the sound investment class, for one who is content with the income, the securities shown still afford satisfactory returns.

Preferred Stock Guide

(LISTED IN ORDER OF PREFERENCE)

These Stocks Are Selected as Offering Best Opportunities in Their Respective Classes. Taking Into Consideration Assets, Earnings and Financial Condition of the Companies Named.

SOUND INVESTMENTS

	Div. Rate $ per Share	Approx. Price	Approx. Yield	Times † Divid'd Earned
INDUSTRIALS:				
General Motors Corp. ....(c)....	7	114	6.1	(y) 5.1
Cluett-Peabody & Co. ....(c)....	7	109	6.4	3.5
Loose-Wiles Biscuit Co. 1st. ....(c)....	7	109	6.4	2.5
Studebaker Corporation ....(c)....	7	120	5.8	20.00
Schulte Retail Stores Corp. ....(c)....	8	114	7.0	(w) 10.00
Gimbel Brothers, Inc. ....(c)....	7	106	6.6	3.3
Baldwin Locomotive Works.................(c)....	7	115	6.1	3.2
Endicott-Johnson Corp. ....(c)....	7	118	5.9	4.5
American Smelting & Ref. Co. ....(c)....	7	113	6.2	1.7
American Steel Foundries.................(c)....	7	111	6.3	6.7
U. S. Industrial Alcohol Co. ....(c)....	7	113	6.2	5.2
Associated Dry Goods Co. 1st. ....(c)....	6	101	5.9	4.0
PUBLIC UTILITIES:				
North American Co. ....(c)....	3	49	6.1	(w) 6.9
Philadelphia Company ....(c)....	3	49	6.1	5.6
RAILROADS:				
Chicago & Northwestern ....(c)....	7	118½	5.9	....
New York, Chicago & St. Louis............(c)....	6	96	6.3	(y) 3.7
Chesapeake & Ohio conv. ....(c)....	6.50	114½	5.7	9.0

MIDDLE GRADE INVESTMENTS

	Div. Rate $ per Share	Approx. Price	Approx. Yield	Times † Divid'd Earned
INDUSTRIALS:				
Bush Terminal Buildings Co. ....(c)....	7	101	6.9	1.1
Brown Shoe Co. ....(c)....	7	108½	6.4	3.9
Cuban-American Sugar Co. ....(c)....	7	94¼	7.5	7.5
Armour & Co. of Del. ....(c)....	7	98	7.1	(w) 2.3
Allis-Chalmers Mfg. Co. ....(c)....	7	108	6.5	2.8
Genl. American Tank Car Co. ....(c)....	7	102½	6.9	4.0
Natl. Cloak & Suit Co. ....(c)....	7	101	6.8	4.5
PUBLIC UTILITIES:				
Radio Corp. of America A pfd. ....(c)....	3.50	46	7.6	(w) 3.5
Amer. W. Wks. & Elec. Corp. 1st. ....(c)....	7	100½	7.0	2.8
Public Service of N. J. ....(c)....	8	118	6.8	3.4
RAILROADS:				
Baltimore & Ohio ....(n-c)....	4	66	6.1	(y) 4.75
Bangor & Aroostook ....(c)....	7	98	7.1	2.5
Colorado & Southern 1st pfd. ....(n-c)....	4	64	6.3	7.5

SEMI-SPECULATIVE INVESTMENTS

	Div. Rate $ per Share	Approx. Price	Approx. Yield	Times † Divid'd Earned
INDUSTRIALS:				
Famous Players-Lasky Corp. ....(c)....	8	115	7.0	(y) 6.5
Pure Oil Co. conv. pfd. ....(c)....	8	107	7.4	4.2
American Beet Sugar Co. ....(c)....	7	82	8.5	1.5
National Department Stores...............(c)....	7	97½	7.1	4.0
Austin, Nichols & Co.	7	93	7.5	1.8
Worthington Pump & Mfg. "A" ....(c)....	7	76	9.2	2.0
Orpheum Circuit ....(c)....	8	102	7.8	(w) 3.2
International Paper Co. ....(c)....	7	96	7.3	1.75
Dodge Bros., Inc. ....(c)....	7	87	8.1	....
Consolidated Cigar Corp. ....(c)....	7	90	7.8	(x) 3.0
PUBLIC UTILITIES:				
American & Foreign Power Corp. ....(c)....	7	92½	7.6	(w) 2.0
Hudson & Manhattan Ry. ....(n-c)....	5	70	7.1	(x) 3.6

SPECULATIVE INVESTMENTS

	Div. Rate $ per Share	Approx. Price	Approx. Yield	Times † Divid'd Earned
RAILROADS:				
Chicago, Rock Island & Pac. ....(5-7%)....	7	97	7.2	(x) 1.35
Gulf, Mobile & Northern ....(c)....	6	102	5.9	(x) 1.3
Western Pacific ....(c)....	6	79	7.6	(x) 1.0

(c) Cumulative. (n-c) Non-Cumulative.
(w) Average for last two years.
(x) Average for last three years.
(y) Average for last four years.
† Average number times earned last five years.

Written By Our Readers

BYFI'S columns, in this issue, have been appropriated by our readers.

The Life Insurance Page 140, the Budget Page 137, all the pages, in fact, contain articles written "on the outside," and submitted to the editors on a merit basis.

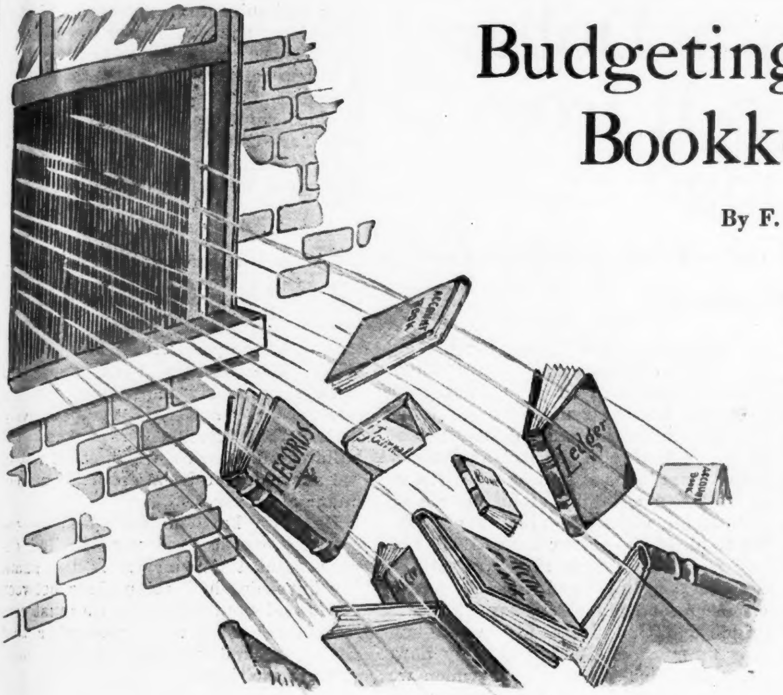
A reading of the articles will serve to demonstrate what merit they possess. Our particular opinion in the matter is sufficiently exampled by the space and prominence we give them.

Future pages of this Department will continue to be brightened, as in the past, by submissions from the outside. In no other way can we maintain the same freshness and virility in our columns. Further, the publication of the views of others than ourselves helps to strengthen the entente cordial which has always existed, we like to think, between this Department and its readers.

It might be suggested that readers' articles on one theme in particular are specifically desired, viz., the Home Owning vs. Renting and Home Building vs. Buying theme. Those who have actually rented or bought or built, and who recorded their results, are urged to relate their experiences and state their conclusions, for publication. And the more complete and informative the articles, the more acceptable they will be.

The Department is particularly anxious to secure articles from readers on this Home theme in order that it may be able to present as wide a range of evidence in the matter as possible; also, in order that it may offer actual findings rather than opinions.

It may not be out of place to add here that the editors are going carefully through the articles submitted by readers in the last Prize Contest, and that decisions on the Prize Winners should be available for publication shortly. As said before, every effort will be made to get the winners' checks in the mail in ample time for Christmas shopping.



Budgeting Without Bookkeeping

By F. A. R.

IN the past few years I have read in THE MAGAZINE OF WALL STREET and some other publications, about many budget systems all of which contained some good ideas but which seemed to me to require too much bookkeeping ability.

If an attempt is made to be too explicit in a budget it is very likely to fall by the wayside as the average person will start with good intentions but after a few weeks will begin to fall behind in his account and soon after will quit altogether.

I have a modified form of budget system which I have followed, with good results, for over twenty years.

After making the first calculations it requires no attention or bookkeeping except as expenses may change.

Here are the details.—First pick out a bank. Deposit one hundred dollars as a minimum balance on a checking account. Some banks on a limited checking account, four checks a month, pay 3% interest. Then figure your fixed expense this way. (These figures are for illustrative purposes only.)

Taxes and water rent	$150
Interest	72
Gas, electric, telephone	90
Life insurance	250
Fraternal dues	20
Coal	94
Total	$676

Divide by 52 weeks—or $13 a week.

Now if you put $13 a week in the bank and do not spend it for anything else you know that when these bills come due you have the money to meet them and by keeping this money in an account by itself you are sure not to get it mixed up with anything else.

The hundred dollars first deposited is a safeguard against an overdraft. When making a deposit make a note in the back of your check book like this—Nov. 8—paid to here—and you will always know just where you stand.

It is not always convenient to make a deposit every week but be sure to put away the $13 until you can get to the bank.

Next figure out how much it costs to feed the family and give your wife that amount every week. Pay cash for everything. Charge accounts have ruined many people. Put in your pocket what you consider a reasonable allowance for spending money, not forgetting to give some to your wife if you would keep out of trouble, and put the remainder in another bank.

Then you know that you can use whatever funds are in the second bank for anything you wish as that is surplus. The idea here is that when sufficient surplus has accumulated, say $500, buy some good security.

Every $500 invested at 6% means $2.50 per month more income.

It is a very good idea to keep about $500 in a savings bank for an emergency fund and not use it except in an emergency. If used replace it as soon as possible.

This is all there is to my budget but by following it faithfully I have accumulated quite a competence and while I am not financially independent I am on the way.

In connection with any budget system it is advisable to have an investment programme. Life insurance should be carried in reasonable amounts, that is so that you do not have to pinch too hard to pay the premiums. Full insurance information can be found in THE MAGAZINE OF WALL STREET.

I think most new investors, especially the small ones, suffer more from a lack of information than anything else. Most of them have an idea that large firms will not handle small transactions.

Let me tell my experience; in 1907 at the time of the panic I had $1,300 which I had saved a few dollars at a time. Reading in the newspaper about stocks being at a low level and what great opportunities were at hand to buy good stocks cheap I sat up all one night trying to decide whether or not to invest my $1,300 which was in a savings bank at 4% and all I had in the world financially. Finally I decided to try it and not knowing one broker from another, I picked from a newspaper advertisement one of the largest houses in the street and wrote to them asking if they bought stocks in small lots for small investors. They answered immediately saying that they would be pleased to buy any number of shares for me from one share up for cash but were not buying on margin for any one at that time.

My first order was for 7 shares of Penna. R. R. 4—Delaware & Hudson and 1—N. Y. Central which order was promptly executed and I have been trading with them ever since.

They have always been very kind and courteous. At first I was a little cautious but as all my trades in the first year or so turned out pretty well I became a little reckless and loaded up at the top resulting in my being "hung up" for several years; but while they could have sold me out at anytime in that period they carried me along until I pulled through all right. They have always been ready to lend me money when I needed it and on the other hand I have never borrowed any without first consulting them, explaining my purpose and asking them their

(*Please turn to page* 178)

"Sitting on a Dollar Won't Keep It from Melting"

Factors to Consider When Undertaking a Savings Plan

By HENRY WARDSHAW

> *The Magazine of Wall Street was one of the first to point out the effect upon investment income of a reduced purchasing power for the dollar. This article covers the same theme; but in so brief and understandable a style, we believe it worthy of presentation.*

SITTING on a dollar may keep it from flying, but it won't keep it from melting. That ultra conservative method insures the fact that a dollar will stay put, but it may not be the same dollar in value when the time comes to use it. If we take the savings bank method of saving as our equivalent, many a too-safe investor can bear witness to the fact that while the savings banks can save your money, it can't save the value of your money.

Before the war, the fluctuations in the value of the dollar were not violent enough to necessitate consideration by the small investor in determining his method of savings and investment. But since 1914, this new factor has become important enough to require consideration by even the smallest permanent investor. The factor is so little understood that it seems important to emphasize the point.

Fluctuations in Living Costs

Before 1914 the fluctuations in the cost of living were comparatively small. A thousand dollars put into the savings bank in 1900 could be expected to furnish approximately the same purchasing power in 1905 or 1910, whenever the money or the income on it would be required. But since the war, the fluctuations in the value of the dollar in terms of purchasing power have been so pronounced that it has become an important consideration in the long-time investment of funds. A dollar in 1914 was not the same dollar in 1924, nor will it be the same dollar, necessarily, in 1934. In the last analysis, a dollar must be measured by what it can buy. When we think of an income of $1,000, for which we plan to provide, we think of the things that $1,000 can buy now. But if we should effect the necessary savings and thereby secure an income of $1,000 by, say 1934, we might find that the $1,000 would buy only as much as $500 would buy now, depending upon factors over which we have no control. In other words, by putting our money in a savings bank, we may be subjecting ourselves, whether we plan to or not, to fluctuations in the purchasing power of the dollar. In terms of real income, therefore, the savings bank method may not give us the perfect dependability which is generally assumed for it.

In order to eliminate the gambling on the value of the dollar, a way out would be to put our money into the things that money buys, rather than money itself, since these things or goods are the really constant factors in the situation. It is not practicable to buy shoes and suits for ten years from now as savings, nor would they draw interest. The nearest approach to this would be to buy conservative securities, which represent title to goods, and whose fluctuations, if the stocks are not speculative, are usually not far from balancing the change in the relation between goods and the dollar value.

A Case in Point

The sad condition of the moneyholders in the Central European countries upon the collapse of their currencies was an extreme but apt illustration of the possibilities of the situation. The savings bank depositors were very nearly wiped out, but the stockholders suffered comparatively little. The stockholders owned the buildings and goods, which could not in the same degree be affected by merely financial changes.

Here we have no such fear to encounter, except to a very limited degree. But the principle is the same. We have also had fluctuations between goods and the dollar, and we must consider them. We must remember that sitting on a dollar won't always keep it from melting.

Note: In connection with the above, it may interest our readers to know that in our next issue, December 5, Prof. Irving Fisher, of Yale University, presents his views as to the long-term desirability of stocks vs. bonds considered from the viewpoint of the next decade's probabilities. Readers will remember Prof. Fisher's first article on this subject which appeared last Spring in THE MAGAZINE OF WALL STREET and which made a pronounced impression on investment circles throughout the country.

Short—and to the Point

A Concrete Suggestion to Forward Looking Income Builders

By GEORGE A. SCHMID

IN submitting this article for your consideration, I do so with sincere apologies to the financial authors, whose opinions I read bi-monthly in THE MAGAZINE OF WALL STREET.

My plan for financial independence at 50 years of age would begin with the young man or woman 25 years of age, having an annual income of $2,200; also a "nest egg" of that first hard earned $1,000, accumulated by thrifty saving habits.

Good banking connections and frequent consultations with its officers are essential to the success of this plan. The selection of preferred or high grade common stocks yielding 7% should be made with careful consideration as to stability of earnings, management and ability to earn and pay dividends over a long period of years.

Money to be borrowed should be twice the amount of the investor's own capital, and should be increased each succeeding six months, as shown in the chart. The securities purchased would be in custody of the bank as collateral to make loans which should be 66⅔% of the market value of all securities thus held. The investor pays 6% for

the borrowed capital, and by obtaining 7% in dividends, adds 1% to his net income.

The average six months' saving of approximately $205, in addition to the net profit from the previous investments is added to the original capital and again compounded. This operation is repeated semi-annually for 25 years at the termination of which time the investor has accumulated the total sum of $45,590.

There are two things which could enter into this proposition which would be advantageous to the investor. First, increases in salary, enabling him to save more than the allotted $205 every six months. Second, opportunities often occur where the investor can pick up securities below par, thereby increasing the dividend yield.

The investor having reached 50 years of age, can now, if he likes, purchase outright, some high grade 6% bonds which would give him a yearly income of approximately $2,750, and eliminate the further necessity of bank loans.

FINANCIAL INDEPENDENCE AT 50 YRS. OF AGE.

TIME PERIOD	OWN CAPITAL INVESTED	BORROWED CAPITAL INVEST.	TOTAL CAPITAL INVESTED	DIV. ON TOTAL INVEST. @ 7%	INT. ON BOR'D MONEY @ 6%	NET PROFIT ON TOT. INVEST.	SAVE DURING 6 MO. PERIOD	INCREASE TO CAP. FOR 6 MO. PERIOD	TOTAL CAPITAL END OF 6 MO. PERIOD
	$ 1000.00	$ 2000.00	$ 3000.00	$ 105.00	$ 60.00	$ 45.00	$ 205.00	$ 250.00	$ 1250.00
6 MO.	1250.00	2500.00	3750.00	131.25	75.00	56.25	203.75	260.00	1510.00
1 YR.	1510.00	3020.00	4530.00	158.55	90.60	67.95	202.05	270.00	1780.00
1 " 6 MO.	1780.00	3560.00	5340.00	186.90	106.80	80.10	204.90	285.00	2065.00
2 "	2065.00	4130.00	6195.00	216.82	123.90	92.92	207.08	300.00	2365.00
2 " 6 MO.	2365.00	4730.00	7095.00	248.32	141.90	106.42	203.58	310.00	2675.00
3 "	2675.00	5350.00	8025.00	280.87	160.50	120.37	204.63	325.00	3000.00
3 " 6 MO.	3000.00	6000.00	9000.00	315.00	180.00	135.00	205.00	340.00	3340.00
4 "	3340.00	6680.00	10020.00	350.70	200.20	150.50	204.50	355.00	3695.00
4 " 6 MO.	3695.00	7390.00	11085.00	387.97	221.70	166.27	203.73	370.00	4065.00
5 "	4065.00	8130.00	12195.00	426.82	243.90	182.92	207.08	390.00	4455.00
5 " 6 MO.	4455.00	8910.00	13365.00	467.77	267.30	200.47	204.53	405.00	4860.00
6 "	4860.00	9720.00	14580.00	510.30	291.60	218.70	206.30	425.00	5285.00
6 " 6 MO.	5285.00	10570.00	15855.00	554.92	317.10	237.82	207.18	445.00	5730.00
7 "	5730.00	11460.00	17190.00	601.65	343.80	257.85	207.15	465.00	6195.00
7 " 6 MO.	6195.00	12390.00	18585.00	650.47	371.70	278.77	206.23	485.00	6680.00
8 "	6680.00	13360.00	20040.00	701.40	400.80	300.60	204.40	505.00	7185.00
8 " 6 MO.	7185.00	14370.00	21555.00	754.42	431.10	323.32	206.68	530.00	7715.00
9 "	7715.00	15430.00	23145.00	810.07	462.90	347.17	202.83	550.00	8265.00
9 " 6 MO.	8265.00	16530.00	24795.00	867.82	495.90	371.92	203.08	575.00	8840.00
10 "	8840.00	17680.00	26520.00	928.20	530.40	397.80	207.20	605.00	9445.00
10 " 6 MO.	9445.00	18890.00	28335.00	991.72	566.70	425.02	204.98	630.00	10075.00
11 "	10075.00	20150.00	30225.00	1057.87	604.50	453.37	206.63	660.00	10735.00
11 " 6 MO.	10735.00	21470.00	32205.00	1127.17	644.10	483.07	206.93	690.00	11425.00
12 "	11425.00	22850.00	34275.00	1199.62	685.50	514.12	205.88	720.00	12145.00
12 " 6 MO.	12145.00	24290.00	36435.00	1275.22	728.70	546.52	203.48	750.00	12895.00
13 "	12895.00	25790.00	38685.00	1353.97	773.70	580.27	204.73	785.00	13690.00
13 " 6 MO.	13690.00	27380.00	41070.00	1437.45	821.40	616.05	203.95	820.00	14510.00
14 "	14510.00	29020.00	43530.00	1523.55	870.60	652.95	207.05	860.00	15370.00
14 " 6 MO.	15370.00	30740.00	46110.00	1613.85	922.20	691.65	203.35	895.00	16265.00
15 "	16265.00	32530.00	48795.00	1707.82	975.90	731.92	203.08	935.00	17200.00
15 " 6 MO.	17200.00	34400.00	51600.00	1806.00	1032.00	774.00	206.00	980.00	18180.00
16 "	18180.00	36360.00	54540.00	1908.90	1090.80	818.10	206.90	1025.00	19205.00
16 " 6 MO.	19205.00	38410.00	57615.00	2016.52	1152.30	864.22	205.78	1070.00	20275.00
17 "	20275.00	40550.00	60825.00	2128.87	1216.50	912.37	202.63	1115.00	21390.00
17 " 6 MO.	21390.00	42780.00	64170.00	2245.95	1283.40	962.55	202.45	1165.00	22555.00
18 "	22555.00	45110.00	67665.00	2368.27	1353.30	1014.97	205.03	1220.00	23775.00
18 " 6 MO.	23775.00	47550.00	71325.00	2496.37	1426.50	1069.87	205.13	1275.00	25050.00
19 "	25050.00	50100.00	75150.00	2630.25	1503.00	1127.25	202.75	1330.00	26380.00
19 " 6 MO.	26380.00	52760.00	79140.00	2769.90	1582.80	1187.10	202.90	1390.00	27770.00
20 "	27770.00	55540.00	83310.00	2915.85	1666.20	1249.65	205.35	1455.00	29225.00
20 " 6 MO.	29225.00	58450.00	87675.00	3068.62	1753.50	1315.12	204.88	1520.00	30745.00
21 "	30745.00	61490.00	92235.00	3228.22	1844.70	1383.52	206.48	1590.00	32335.00
21 " 6 MO.	32335.00	64670.00	97005.00	3395.17	1940.10	1455.07	204.93	1660.00	33995.00
22 "	33995.00	67990.00	101985.00	3569.47	2039.70	1529.77	205.23	1735.00	35730.00
22 " 6 MO.	35730.00	71460.00	107190.00	3751.65	2143.80	1607.85	217.15	1815.00	37545.00
23 "	37545.00	75090.00	112635.00	3942.22	2252.70	1689.52	205.48	1895.00	39440.00
23 " 6 MO.	39440.00	78880.00	118320.00	4141.20	2366.40	1774.80	205.20	1980.00	41420.00
24 "	41420.00	82840.00	124260.00	4349.10	2485.20	1863.90	206.10	2010.00	43430.00
24 " 6 MO.	43430.00	86860.00	130290.00	4560.15	2605.80	1954.35	205.65	2160.00	45590.00

"If I Had to Earn a Living I Would Sell Life Insurance"

By Mrs. L. E. S.

> Life Insurance to many is the Cornerstone of Financial Independence

IN a little country village of Illinois, many years ago, was organized a chapter of The Modern Woodmen of America. My father was a charter member and took out the limit of life insurance offered by this fraternal organization. As I look back now, I can see that many times it meant much personal sacrifice for him to meet the dues. But he never wavered.

At the age of sixteen, and before I had completed my high school education, father was taken away and I was left an orphan. Had it not been for his sacrifice and wise provision of this insurance how much harder and different my life, no doubt, would have been.

As it was, if my memory serves me right, in less than a month after his death this money was in the hands of my loving and faithful guardian, and I was sent back to finish my high school work,—and right then started on the road to independence.

I Graduate from School

After graduating from high school I taught a country school for two years, and then like most girls of that age, fell in love and married. My husband had, I believe, $2,000 Life Insurance in this same M. W. A. of which my father had been a charter member. But, about a year after our marriage, we moved to a larger city of Illinois, and, for some unknown reason, notices of dues were not received and this insurance was allowed to lapse.

When we finally realized the situation my husband said, "Well, I believe I will not try to be reinstated but will change and take out some Old Line Insurance," to which I readily agreed. However, before he put this decision into action, he was taken seriously ill. After partial recovery I said to him one day, "George, didn't it worry you when you were so very ill, to think that you were not a member of the church" (I confess that then I thought church membership, in and of itself, constituted Christianity) and his reply was, "That didn't worry me half so much as the thought that my life insurance had lapsed and that I might have to go and leave you unprotected."

Much to my happiness, he later "joined" the church but never sufficiently recovered his health to pass the medical examination of the Old Line Company, and at the age of twenty-four, I was left a widow, with nothing with which to pay doctor bills, hospital fees, funeral expenses. Such is the trick of Fate.

Fortunately, relatives came to the rescue and these things were taken care of. This happened in June and the following September I went back to my chosen profession,—teaching. I, right then and there, decided that such unpreparedness should not overtake me again if I could prevent it. Accordingly, I called on an insurance agent and inquired if his company wrote life insurance for women. Upon receiving an affirmative reply I forthwith applied for a $1,000 policy in the Mutual Benefit Life Insurance Company of New Jersey.

What a feeling of security, protection and independence was mine, when that insurance policy came into my hands!

The Second Fall

But the tale is not told. It sometimes takes more than one fall to put us securely on our feet. At the age of twenty-eight, I decided to enter school in Chicago and prepare myself for a broader field of activity.

I had saved up what I thought would see me through. But to the unsophisticated country girl, the great expense of living in a city like Chicago was an unknown quantity, and before I had finished school, my savings were gone and failure seemed staring me in the face. When, lo! I realized that once again life insurance would be my saviour. I could borrow enough on my insurance policy, without any security, to tide me over. And I did.

But the tempter came again. Upon completion of my school work I was so fortunate as to step right into a position. But the rather small salary, together with the expense of city life, did not leave much surplus and (would you believe it, after the trying experiences above related?) I never paid back the money I borrowed and worse than that even let that much prized policy lapse.

It's strange that once burned we still go back to the fire! And right here, let me say: *Don't ever borrow on your life insurance policy unless it is absolutely necessary and, if it is necessary, then lose no time in paying off the loan the minute it is possible.* If you don't, regret will surely follow, just as it did in my case.

My Second Lesson

Very shortly, I was taken ill and when the good old fatherly doctor (I'll never forget his goodness to me) said an operation was necessary, I said to him, "Doctor, I can't do it. I have no money to pay for it and, if I should die, nothing with which to pay funeral expenses." But, good old soul, he assured me that he wouldn't let me die and that, so far as his fee was concerned, if I ever got able to pay it alright, and if I didn't ever feel able to, that would be alright too. And so I went and this article is evidence that the worst didn't happen, and in time he received his small fee.

But you may believe me, as soon as I had recovered and taken up my work again, I lost no time in getting in touch with a Chicago agent of the Mutual Benefit, to see if I could not be reinstated. Instead, he advised me to take an entirely new policy. Whether or not that was the best thing, I followed his instructions and once again felt myself standing on a firm foundation, with a 20 Payment Life in my possession.

A few months later, I made the acquaintance of an agent for the New York Life Insurance Company and I

Prize Contest Announcement

WE take pleasure in informing our readers that all the manuscripts received in connection with the Building Your Future Income Prize Contest have been examined and that an announcement of the winners will be made in our next number. The Prize Winning article will be published in our December 19 issue. The articles submitted were of unusually high character, indicating real devotion and thought to the subject of investments. We want to congratulate readers of this department on their showing and to thank them heartily for their magnificent cooperation.

told him that I believed I would take out a policy in his company. Of course, he was glad to write it for me, but upon learning that I already carried one policy he advised me to drop the first one and take his instead. No doubt, his only reason for so advising me, was, that he thought I would be unable to meet the premiums on both. However, I convinced him that I wanted them both and so he wrote me a 15 Payment Life.

Incidently, at the same time, I persuaded two of my women acquaintances, also a boy, none of whom had any insurance, to take out policies, so the agent wrote four policies instead of one. And I sincerely hope that those people still have their policies and are as proud of them as I am of mine.

This might be a good place to say a word of encouragement to the insurance solicitor. Don't be afraid to ply your trade. You see, I had, so to speak, run after my insurance. No one offered me any. And, no doubt, there are many girls and women who want the protection, just as I did, but for some reason, make no effort, as I did, to secure it. I dare say that nine out of every ten women, today, spend enough on *excess* attendance at the movies to more than pay the premiums on insurance investment. And how much more real satisfaction there is derived from the latter. So, Mr. Solicitor, look to your laurels.

A Second Marriage

But I must go back to my story. In 1917 I married again, and this time, a southern man. He knew that I was interested in business and financial matters for, strange as it may seem, all of our love letters were short notes written at the bottom of a well-known broker's Daily Market Letters, which he mailed me each day after he had read them. (Rather a unique courtship correspondence, don't you think?) However, when, on taking stock of our assets and liabilities, he found that I carried $2,000 life insurance, he didn't quite know whether that was exactly the *proper* thing for a woman to do or not. Of course, he didn't need the protection, but I was as firmly glued to those insurance investments as the Rock of Gibraltar, and was unmovable.

Today, he is as proud of them as am I, and with the insurance which he now carries and which he contemplates adding from year to year as we are able, we are slowly, but surely, moving toward financial independence—not perhaps at fifty—for you see we got a late start—but probably at fifty-five or sixty. We both feel that there is no easier, surer way to build up an estate than through life insurance. To be sure we are not putting all of our surplus in insurance, but have some in Liberty Bonds, some in real estate mortgages, and a little in, what we consider good risks in common stocks.

You know, this life insurance business is like the "old time religion." It's good enough for father and it's good enough for me. There's no better way for the poor man to build up an estate, there's no better way for the rich man to protect his estate and no surer way to provide for the education of your children than through life insurance investment. *And I firmly believe, if I should ever again be thrown on my own resources I would enter the field of life insurance for in that profession I would not only be helping myself, but would, according to my views, be rendering a truly great service to others.*

Note: Our insurance department has become one of the most popular in this Magazine. For the information of our newer readers, we take this opportunity to say that all subscribers have the privilege of sending in questions on their insurance problems to the Insurance Department. We want to encourage readers to take advantage of this opportunity as we have for long been "sold" on the idea that insurance is an absolute necessity with the average American family and, that wisely arranged for, it may prove to tbe the cornerstone of financial independence.

BYFI'S
Recommendations Table

(For Small Investors)

$100 Bonds	Recent Price	Yield to Maturity
Hudson & Manhattan 1st & Ref. 5s, '57	91½	5.60
St. L. & S. F. R. R. prior lien 4s, '50	77	5.75
U. S. Rubber 5s, '47	90	5.80

Preferred Stocks	Per Share Dividend Rate	Recent Price	Yield
Cluett Peabody	7	109	6.40
American and Foreign Power	7	92⅞	7.60
American Smelting	7	113	6.20
Radio Corp.	3½	46	7.60
Schulte Retail Stores	8	114	7.00

Common Stocks	Per Share Dividend Rate	Recent Price	Yield
American Tel. & Tel.	$9	141	6.20

How the Ray-Nevada Merger Works Out

ANNOUNCEMENT that Nevada Consolidated Copper Co. will absorb Ray Consolidated on a share for share basis was something in the nature of a surprise. Wall Street has assumed that Ray Consolidated would be the nucleus around which a big southwestern consolidation would be built—a consolidation which would be closely related to Anaconda and which would include Inspiration first and later probably Phelps-Dodge and possibly Calumet & Arizona and Greene Cananea. It also has assumed that Nevada, until now 50.5% controlled by Utah Copper, and through Utah Copper by Kennecott, would be absorbed by Kennecott through an exchange of stock offer.

Apparently the obstacle to this allocation came in the report of engineers indicating that the only fair basis of a Ray-Inspiration merger would be an exchange of stock plan which Inspiration holders would regard as unfavorable to their interests. Inspiration has an indicated life about half as long as the indicated life of Ray, but the indicated life of Inspiration is long enough so that it is not now a stock market factor of first magnitude. The engineers' report is understood to have recommended a ratio of about 1¼ Ray for 1 Inspiration, and recent market ratio has been approximately 2 Ray for 1 Inspiration.

Statistical Analysis of the Nevada Merger

	Ray Cons. (With Chino)	Nevada Cons. (Before Merger)	Nevada Cons. (After Merger)
Shares Issued	3,077,179	1,999,457	5,076,636
Theoretical Capacity Per Annum (lbs.)...........	180,000,000	100,000,000	280,000,000
Theoretical Capacity Per Share (lbs.).............	58	50	55
Net Working Capital Dec. 31, 1924...............	$8,545,916	$8,949,552	$17,495,468
Per Share	$2.77	$4.48	$3.44
1924 Production Costs	11.30c	10.70c	......
Costs 1st Quarter, 1925........	10.86c	10.89c	......
Costs 2nd Quarter, 1925.......	10.97c	10.99c	......
Earned Per Share, 1924........	32c	84c	......
Earned Per Share, First Half, 1925............	68c	61c	......
Dividends to Date............	$55,132,114	$46,869,627	$102,001,741
Probable Life	30-35 yrs.	30-35 yrs.	30-35 yrs.
Produced, 1924 (lbs.).........	133,592,467	70,237,050	203,829,517
Production, 1925, Estimated (lbs.).............	140,000,000	72,000,000	212,000,000

PROBABLE ADVANTAGES OF MERGER: (1) Reduced overhead expenses; (2) Selling policy in better control; (3) Stronger financial status; (4) Possibly earlier dividends; (5) Diversification of mining risks; and (6) Step toward combination with other Southwestern producers, possibly including Phelps-Dodge, or step toward absorption by Kennecott.

At first glance the new plan would seem to bring Ray into the Kennecott family; but it really takes control of Nevada from Kennecott, since Utah Copper, Kennecott's subsidiary, after the merger will not own a majority of Nevada's outstanding stock. The question which now comes up, and which must remain unanswered for the present, is: Will Kennecott absorb the Nevada-Ray combine, or will the Nevada-Ray combine absorb other southwestern producers, notably Phelps-Dodge and Calumet & Arizona, and thus be the nucleus of another big copper merger?

No Big Change in Share Values

Seldom is a big merger put through, a merger involving an aggregate market value of about $75,000,000, which makes such unimportant apparent changes in the position of shareholders of participating companies. Both stocks have been selling at about the same price for some months. Copper production costs, physical conditions, ore reserves, mill efficiency and banking management are about the same at both properties. The per share productive capacity is little changed. Earning power per share of Ray and Nevada varies only a few cents. Treating plants have recently been modernized at Chino and Ray as well as at Nevada. Both stocks, judged alone, seemed to be equally near dividends.

What the merger accomplishes, if it could be assumed that it is not a step toward a bigger combine, is a greater diversification of mining risks, unified selling organization, and reduced overhead expenses. The communications seeking proxies to approve the plan intimates that it may hasten the resumption of dividends, but the stockholders are left quite in the dark as to the reason.

Earning Power Little Changed

On a 14¾ cent copper market, the earning power of the consolidation probably will be about 3¾ cents a pound. This, on the new capitalization, is a little over $1.50 a share on the basis of current operations which are about 76% of capacity. Assuming capacity operations and a 16 cent metal market (probably capacity operations would not be realized unless copper sold at 16 cents) the company might earn $2.75 a share. Until copper sells well above 15 cents, therefore, Nevada Consolidated stock probably will not pay more than $1 a share per annum and does not seem to deserve to sell much above 15 or 16. The position of the two companies prior to the consolidation is about the same except that Ray may have a slightly higher per share earning power. Nevada's better financial position compensates for any advantage of this nature.

While ore reserves are ample, conditions will not be ideal at Chino until further progress is made removing the overburden and preparing material for mining, and at Nevada, as the last annual report explained, the time is approaching when more ore will have to be extracted through underground workings and less ore can be mined by steam shovels. In both cases a portion of earnings will have to go into development work for quite a considerable period.

Conclusion

The market possibilities in Nevada stock appear to be dependent on some further merger development. Standing alone, and with a 5,076,636 share capitalization, it probably will continue to be a relatively unpopular market issue. Compared with other copper stocks it is neither cheap nor dear at current prices. Unless the dividend rate, when it is inaugurated, is more than $1 per annum, there is little speculative incentive to purchase it for profit, as far as appreciation due to dividends is concerned at these prices.

Will U. S. Smelting Raise Dividends?

Measuring U. S. Smelting's Earning Power

(On basis of present capitalization)

Year end. Dec. 31	Per Share on Common — Before Depreciation and Depletion	Depreciation and Depletion	After Depreciation and Depletion
1916	$23.45	$5.02	$18.43
1917	10.19	4.26	5.93
1918	14.62	5.07	9.55
1919	20.79	5.90	14.89
1920	9.54	5.31	4.23
1921	3.26	3.17	0.09
1922	10.53	9.14 (a)	1.39
1923	8.45	6.29 (b)	2.16
1924	13.50	12.45 (c)	1.05
Nine Year Total	114.33	56.61	57.72
Nine Year Average	12.70	6.29	6.42
1925 (8 months) (d)	8.93	5.26	3.67

NOTES: (a) Includes $1,600,000 charged off for amortization. (b) Includes $500,000 charged off for amortization. (c) Includes $1,800,000 charged off for amortization. (d) Actual results, based on actual interest charges and not giving effect to recent reduction in fixed charges.

CONTRARY to the impression of many people who follow stocks, U. S. Smelting, Refining and Mining Co., is not an important factor in the copper industry. In fact, with the closing of the Mammoth copper property in California, shortly to be accomplished, its only important interest in the industry will be the smelting of custom ores for a few small producers. The company stands or falls as a producer of lead, silver, coal and zinc, these products named in the order of their importance.

This year the mining properties, located chiefly in Utah, Colorado, New Mexico, Nevada and the Guerrero district of Mexico will produce approximately 105,000,000 pounds of lead, 25,000,000 ounces of silver, 650,000 to 750,000 tons of bituminous coal (exclusive of the interest in Hardy Coal of West Virginia) and something like 30,000,000 pounds of zinc. Copper output will be under, rather than over, 10,000,000 pounds; and gold production should exceed 200,000 ounces. Naturally good prices for lead, silver and coal are the *sine qua non* of prosperity.

By refunding $12,000,000 of 6% gold notes, due in February, 1926, through the issue of $8,000,000 of 5½% gold notes and by means of cash surplus available for the purpose, U. S. Smelting has accomplished a considerable reduction in interest charges. In order to arrive at the earning power of the company, on the basis of reduced annual interest requirements, the accompanying table was compiled. The annual saving is equal to almost $1 a share on the common stock, or to approximately one-third of the present annual dividend.

Incidently this note issue, which is callable at 105 or less during its life, quite possibly may be eliminated sometime during the next five years thus leaving the company free from funded debt. Earnings for the past nine years have averaged about 11 times the new interest requirements.

Earning Power Double Dividend Rate

On the basis of actual results for the first eight months, it may be estimated that net for the common this year will be between $12 and $13 a share before depreciation, depletion and amortization, and probably $5.50 to $6.50 a share after such charges. With the refinancing out of the way, with financial position good, with properties splendidly maintained, and with new properties in Utah and Alaska fast approaching an earning basis, the probability of an increase in the present dividend rate of $3 per annum is pretty well established.

The case for a dividend increase is made even stronger by a review of the company's earnings for the past nine or ten years. The tabulation elsewhere on this page shows that in the nine years ended with 1924 net earnings per share on the common, before charge offs, aggregated $114.33 a share. Of this amount $56.61 a share was charged off for depreciation, depletion and amortization—the last two named items largely merely bookkeeping deductions —and $57.72 a share was carried to surplus. Of the amount carried to surplus but $20.50 a share has been paid out in dividends. Stated another way, earnings for the past nine years have averaged $12.70 a share, a little less than half of which has been charged off and a little less than 18% of which has been paid out in the form of dividends.

Hardly too much stress can be laid on the fact that U. S. Smelting's poor per share earnings, as reported in the newspapers and in the annual reports, for the past few years have been apparent rather than real. For the past four years published earnings, after charges, have averaged only a little better than $1 per annum; but if net is taken before charges real profits have averaged between $8 and $9 a share per annum for the same period.

This year's earnings, although close to the nine year average, double the dividend rate, and excellent in view of the current selling price of the stock under 50, are not the maximum which may be expected. This is because: (1) Nothing will be derived from the Alaska gold properties which should be important contributors to net next year; (2) Next year the new smelter at Midvale will be in full production; (3) Coal operations in 1925 will result in only a moderate profit; and (4) The output of some of the newer mining properties in United States and Mexico can be increased further. In the meantime, there always is the possibility of better prices for lead and silver. The world's known reserves of lead ore are rather low, and the chances favor a gradual increase in the price of lead over a period of years.

The company's 5½% notes are entitled to be rated among the highest grade mining company bonds, and are a conservative investment. The preferred stock ($50 par value and paying $3.50 per annum) has an unbroken dividend record of 20 years and is selling at a low figure in view of the fact that it may be regarded as quite out of the speculative class. The common appears attractive either for short or long pull speculation. If the dividend is increased to $4 it should sell considerably higher, and looking ahead a year or two $4 is by no means the maximum possibility.

Marland Oil

Marland Oil Forges Rapidly Ahead

Increases in Production and Earnings Far Ahead of Other Mid-Continent Companies

THIS year is a banner year for the Marland Oil Company. Whatever other accomplishments may be recorded for the balance of the year, the company has four outstanding achievements to its credit in the first ten months. Earnings will probably run close to $10 a share, the current dividend having been earned twice over in the first nine months. The $20,000,000 2-year 5% notes issued privately only a year ago were retired at 101 and cancelled. Daily average production was doubled over the previous year, running at 43,000 barrels in the third quarter. The company arranged to market 25 million barrels under contracts with Standard Oil companies, more than half representing its own production, the balance having been purchased on favorable terms from independents in the Mid-continent district.

Marland stock has had a quiet and orderly performance since it was listed on the New York Stock Exchange four years ago, experiencing neither the spectacular advances nor declines that are sometimes characteristic of oil stocks. Consequently it has not attracted a wide speculative following and is one of the less well known petroleum securities. When the earliest rumors were heard that J. P. Morgan & Company were privately acquiring treasury stock from the company at the approximate current market price, these reports were generally discounted as pure and unadulterated "bunk." So many times has the name of the great banking house at the corner of Broad and Wall streets been unwarrantedly associated with relatively unknown companies, that the traders were inclined to receive this news with skepticism.

It is now an established fact, however, that the Morgan firm purchased 335,000 shares of stock, or about 20% of the amount previously outstanding, for a cash consideration of about $13,000,000. Whether this purchase was made as a principal or on behalf of some large client is relatively unimportant. The fact remains that Marland Oil Company has strong banking affiliations who are favorably impressed with its future business opportunities.

There is another recent development that will mark 1925 as a notable year in the financial history of Marland Oil Company. After five years of exploration work, the vast Mexican holdings began to return a cash income about a month ago when deliveries were started from the El Limon lease to the Mexican Petroleum Company under a 2,000,000 barrel contract. Two wells drilled in this tract brought in what is believed to be a settled production of 6,000 barrels a day and a short pipe line connected with the Mexican Petroleum lines enabled the company to start deliveries at the modest rate of 5,000 barrels a day.

The cash income from these sales is relatively unimportant in contrast to the broader significance of starting commercial production, which proves the existence of oil reserves in Marland's leaseholds in eastern Mexico. The company has an investment of $4,000,000 in Mexico, the major portion of which has been expended in exploration work. The eastern tract of 280,000 acres borders the famous Ebano, Panuco and Topila oil fields on the west and south and is situated principally to the north of the Panuca-Topila fault. One-fifth of Mexico's petroleum production comes from these fields which are also located to the north of the Panuca-Topila fault. It is the contention of the company's highly successful geological staff that a large part of Mexican oil production will ultimately come from the Marland tract. Commercial production recently obtained, strengthens the belief that Marland's holdings in Eastern Mexico will prove to be extremely valuable acreage.

In the western part of Mexico, Marland Oil concessions cover almost half of the entire territory of Sonora and Lower California. Activity has been confined exclusively to exploration work in this section and the company's officials are reticent in their comments on the results obtained to the present time. The western concessions cover a tract of land about half the size of the entire State of New York and are supposed to be a continuance—geologically speaking—of the California sands which have been so prolific in the past few years. Marland's Mexican developments are carried on by a subsidary, the Marland Oil Company of Mexico, which is controlled through ownership of 95% of the common stock. In spite of the tremendous possibilities that are

(Please turn to page 160)

Statistical Picture of Marland's Growth

Year	Working Capital (Millions)	Notes Bonds (Millions)	Shares of Stock	Gross Income (Millions)	Net Profits (Millions)	Earned Per Share	Dividend Per Share	Price Range High	Price Range Low
1921	4.2	7.4	843,569	8.8	Deficit	...	...	30	12
1922	5.5	10.7	928,767	17.5	4.1	$4.45	$2.00	46	22
1923	5.9	9.6	1,132,184	32.9	3.0	2.71	2.00	59	17
1924	20.8	20.5	1,549,968	33.2	2.5	1.68	...	40	29
1925	26.8*	...	1,885,393*	51.7†	13.6†	6.87†	3.00	56	32

*As of Sept. 30, 1925. †Earnings for 9 months to Sept. 30, 1925.

The New Peerless Six Sedan

Series 6-80

PEERLESS presents its greatest triumph.

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And now offered at the astounding low price of $1595.

In fact, this new Peerless is the most remarkable value ever offered the public at *any* price.

It's a wonderful Six

It's more than mere transportation. It's far more than mere brute power or an advanced degree of rare comfort and sheer beauty. Frankly, this Sedan is a new motor achievement.

Large enough for perfect riding, yet compact enough for every-day traffic handling. A woman can make a complete turn in this Sedan on a narrow street with the slightest pull of the wrist. Only 116 inch wheelbase. Yet 116 inches of dependable faithfulness—a car that goes and comes as surely as the rising and setting of the sun.

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There's a seven bearing crankshaft of large diameter—together with a Lanchester Dampener. These assure motoring *without* vibration. They give the utmost in riding comfort.

At any speed you drive without worry in this new Peerless Sedan. It is instantly responsive to its big, gripping hydraulic four-wheel brakes.

Not a thing has been skimped in the design or in the making of this 6-80 Sedan. It's hard to realize such unusual value at such a low price. Yet, through greatly increased production, through engineering far in advance of the times, and through new standards of efficiency in manufacturing, this low price is possible.

But, after all, a ride is most convincing of all. Test this car in any way you wish. Check it for power—for smoothness—for comfort. Only then can you really realize its remarkable value.

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The Inquiry Department enables you to adapt THE MAGAZINE OF WALL STREET to your personal problems. As a yearly subscriber, you are entitled to receive FREE OF CHARGE a reasonable number of PERSONAL REPLIES BY MAIL OR WIRE on any security in which you may be interested. Inquiries cannot be received or answered by telephone nor can personal interviews be granted by this department. The inquiries presented in each issue are only a few of the thousands received—48,101 in the first six months of 1925. The use of this personal inquiry service in conjunction with the Magazine should help you to get hundreds or thousands of dollars of value from your $7.50 subscription.

Are You Sure of Your Broker?

We invite correspondence from readers desirous of ascertaining the status of brokers with whom they intend to do business. We make no charge for this service, as we recognize the importance of having our readers deal through reliable firms.

J. I. CASE THRESHING MACHINE

Do you think there is any likelihood of Case resuming preferred dividends early next year? I have held my stock since 1920 and need not tell you that I have a substantial loss in my 50 shares of preferred. I am a good holder but would like to know something of the present condition of the company and the outlook for the stock.—M. T. K., Denver, Colo.

By placing into effect a rigid retrenchment policy the J. I. Case Threshing Machine Company has slowly but surely progressed on the path toward rehabilitation. Its financial condition might now be said to be sound, working capital standing around $15 millions. Bank loans are being steadily reduced and are not now a considerable item. The company is doing very well from a commercial standpoint. In common with its competitors it has benefited from the agricultural prosperity enjoyed by various sections of the country and which has been reflected in an increased demand for its products. Its output is estimated to be about 40% above that of 1924. While owing to the nature of the business it is difficult to gauge the profits of the company, indications are that the present active demand for its products will result in a more favorable showing being made than in any year since 1920. The expectation of action in regard to dividend matters is perhaps premature, but it is not unlikely that the preferred will be restored to a regular basis in the early part of 1926. A little further patience on your part is all that is required.

FLEISCHMANN

What has caused the increase in Fleischmann's earnings? I notice they expanded $300,000 in the third quarter and were $1,250,000 over the same period of last year. What has caused the big improvement in the company to date? What do you think of the dividend outlook?—D. L., Tampa, Fla.

Since the enactment of national prohibition the endeavors of the Fleischmann Company have been concentrated mainly in the production and sale of yeast. In 1924, sales of all products totaled $46.4 millions, of which yeast sales accounted for $37.3 millions. Contrast this with its 1917 showing when yeast contributed only $13.6 millions out of total sales of $27.5 millions. It is apparent that the decline in alcohol and gin production, far from having an adverse effect on the company's earnings, has actually reacted to its advantage. The company has recently added a new product, Arkady, a dough conditioner, which is steadily growing in popularity. In reflection of these favorable developments the earnings of the company have shown an upward trend, amounting to $6.53 a share on the present stock in nine months against $4.53 in the same period of 1924. However, this has been discounted to a large measure in the market movements of the stock, and notwithstanding the 200% stock dividend in prospect the issue seems to be selling quite high enough. We prefer Childs Company shares. The latter company is making steady progress in the right direction and has the best of prospects for the future.

ANACONDA COPPER

Do you credit the report that Anaconda will increase its dividend next month and go permanently on a higher basis? My stock averages me 38 and I have no intention of selling it unless your advice is to that effect. My purpose in writing, however, is to learn just what you think of the situation.—A. C., Brooklyn, N. Y.

We are not in the position to forecast the probable dividend policy of Anaconda, but in view of the fact that earnings are estimated to be running at the annual rate of $6.50 on the stock, more than twice dividend requirements, the company is obviously well situated to adopt a liberal attitude toward stockholders whenever it so elects. A combination of higher metal prices and lower production costs has reacted to the decided advantage of this company, which is now enjoying the greatest prosperity in recent years. In view of the fact that copper, the metal, continues firm, and a somewhat higher level is not unlikely, the situation is conducive to some optimism. We believe it would be wholly to your advantage to retain this stock.

CORN PRODUCTS

Will Corn Products earn its dividend this year? The action of the common stock does not suggest to me that the company is in very good shape. I bought my stock—100 shares—at 39½ recently expecting the September quarterly report would make a very good showing. Possibly you can give me some genuine information or advice.—L. J., Minneapolis, Minn.

Taking recent earnings statements into consideration it is safe to say that Corn Products will earn its dividend, but it is doubtful if it will do much more. Net of $1.56 a share in nine months is hardly in excess of requirements, and represents a disquieting decline from the $2.62 of the same period of the preceding year. Corn Products has experienced keen competition in the present year, which has had an adverse effect upon income account. Very low prices for sugar has placed this staple within the reach of bakers

(Please turn to page 157)

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Paper Profits are very gratifying. They represent profits that will probably be realized in the future, but

Closed Trades

represent profits that have actually been taken and turned into

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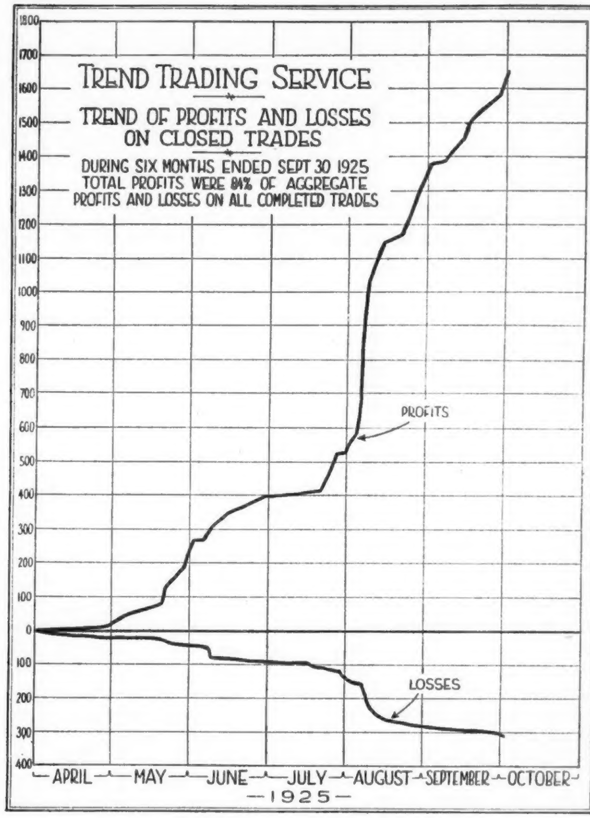
The Graph represents only CLOSED TRADES — trades where we gave Trend Subscribers DEFINITE INSTRUCTIONS ON WHAT TO BUY and WHEN TO SELL. There still remain substantial paper profits which are not taken into consideration.



Profits 1650 Points
Losses 320 "

Excess of Profits 1330 Points

No client carried more than six stocks at any one time. The graph represents the total of recommendations sent to all sections of the Trend Trading Service: It is a true indication of the ratio of profits to losses. It proves that the average subscriber realized five and one-third points profit for every one point loss.

The Trend Trading Service is planned to meet the requirements of traders who desire to take advantage of the five and ten point swings of the market.

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If you have at your disposal the sum of $2,000 or more for trading in stocks, you should take immediate advantage of this Service. We mention the sum of $2,000 because we feel that this is the minimum amount as a trading fund that you should have available in order to derive full benefit from the Service. Many of our subscribers use much more.

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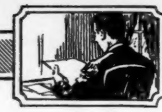
November 21.

SCHOOL FOR TRADERS & INVESTORS



Sixty-Eighth Lesson

Following the Leaders

Not Always the Most Profitable Practice in Present-Day Stock Trading.

OLD-SCHOOL speculators, and many traders who are active in current markets, hold to the theory that it pays to single out the market leaders and limit trading activities to these stocks. The soundness of this theory in present-day markets depends on our definition of leadership.

If we limit our selection to a few well-known railroad and industrial issues that have been regularly active and popular speculative mediums for many years, then our operations are likely to be handicapped by numerous disadvantages, as we shall try to point out hereinafter. On the other hand, if we make our definition sufficiently flexible to recognize the fact that active leadership is constantly changing, from year to year and from month to month, then we greatly reduce the handicap above mentioned, although it may not be entirely eliminated.

A Changed Condition

A phrase that was popular for many years, viz., "As Steel goes, so goes the market," is no longer true. The most casual observer of the market during the past year or two has noticed that such old-time leaders as U. S. Steel and New York Central remained within a five or six-point range for weeks and months at a time, while hundreds of other issues were having wide and persistent swings. Certain sections of the list were fairly boiling while Baldwin lapsed into a comatose condition. Some formerly obscure issues, and many modern listings, staged both private and co-operative fireworks celebrations while such members of the old aristocracy as Reading, Standard Oil of New Jersey and Anaconda "played dead."

These illustrations serve to indicate how one-time market favorites may become unsatisfactory mediums for trading. There is the argument that a recognized speculative leader may be depended upon to have its move sometime during the market swing. Perhaps so, but this is no reason why a trader should keep funds tied up in an issue that may remain on a dead center for many weeks at a time, at the expense of missing numerous swings in sound stocks that may lack leadership, but have well-defined trends that are amply justified by their fundamental and statistical developments.

Some market leaders carry their honors well for long periods of time, because the high quality of their management and the strength of their financial position are almost proverbial. For the patient, long-pull speculator, there is an element of conservatism about operations in such issues. A time may come, however, when even such stocks work into a price range which suggests that they are no longer moving on their merits. The trader should beware of such developments, and through constant review of statistical developments surrounding the issue under consideration make sure that the underlying quality of his favorite is not being impaired.

Other leaders maintain their ascendency for only a few years, or a single market cycle, and then suddenly lose caste owing to industrial developments that may be obscure to the casual observer. Such leaders may be very attractive as speculative mediums while their popularity lasts, but as soon as public confidence wavers, they yield their popularity to new favorites. If we are alert to this ever shifting leadership, then it may be fair to say that leadership is important to the trader, but our definition must be broad and flexible.

Sometimes Dangerous Though Sound

Owing to the very popularity of recognized leaders, a degree of speculative pressure often develops that is quite independent of their fundamental or statistical merits, and this force becomes more important as an influence on price movement when it accompanies an unusual variation in floating supply of the shares. Under such conditions the stock may be more amenable to deliberate manipulation, with consequent erratic movements at the pleasure of those in close touch with the situation; and to the discomfiture of traders who are basing their operations on the assumption that the cards are being as well shuffled and as fairly dealt as usual.

The market is now so rich in both number and variety of listed stocks, that many of the safest and most easily forecasted trends are to be found entirely apart from the realm of leadership. We believe that the average trader may find in the present market numerous issues of good quality, whose price trends may be determined by any careful student of the available facts and that in this determination, a knowledge of the statistics involved will prove more important than a familiarity with market technique.

WATCH for the next issue. It will contain several hundred specially prepared definite recommendations for your year-end investments; also a complete list of low-priced stocks selling on the N. Y. Stock Exchange together with our views as to their prospects.

Important Changes in Capitalization of Leading Companies

Actual Changes Reported Since Our Issue of Oct. 24

AMERICAN BOSCH MAGNETO CORP.

Nov. 6—Offered: to Cap. Stockholders right to subscribe, at $33, to 1 sh. new Cap. Stk. for each 2 shs. held..........shs 69,133

AMERICAN BROWN BOVERI ELECTRIC CORP. (Formerly New York Shipbuilding Corp., q. v.)

Oct. 17—Created: new issue of 1,000,000 shs. no-par Ptcpt. Stk.
Created: new issue of 300,000 shs. no-par Founders Stk.
Nov. 4—Acquired: CONDIT ELECTRICAL MFG. CO. (At Boston, Mass.) and SCINTILLA MAGNETO CO. (At Sidney, N. Y.): issuing, in part payment, Ptcptg. Stk. ....shs 85,000
Exchanged: 1 sh. new Ptcptg. Stk. & 1 sh. new Founders Stk. for each of the 200,000 shs. Cap. Stk. of NEW YORK SHIPBUILDING CORP.
Issued: to BROWN BOVERI & CO., LTD., of Baden, Switzerland, in part payment for U. S. A. Mfg. & Selling Rts. under U. S. A. patents owned by the Swiss Corp., Bal. of Founders Stk. ....shs 100,000
(The 260,000 shs. Ptcptg. Stk., reported in our Issue of Oct. 24 as having been sold at $50, was apparently part of the 285,000 shs. here noted as having been issued.)

AMERICAN COTTON OIL CO. (Subs. of the GOLD DUST CORP., q. v.)

Nov. 2—Sold: Add. deb. 5s, '31 ....$2,000,000

ANACONDA COPPER MINING CO. and W. A. HARRIMAN & CO. of New York.

Nov. 4—Acquired: 6-Mos. option to purchase the Giesche zinc mines and metallurgical works in Poland together with profits for 25 Yrs. from ore extracted on the German side of the border, and extensive underlying coal deposits. Anaconda is to operate the properties, and the bankers will arrange the financing.

ARMOUR & CO. (ILL.)

Mar. 31—Decreased: Auth. Classes "A" & "B" Com. Stk. from $150,000,000 each to $50,000,000 each.

BARNET LEATHER CO.

Oct. 15—Retired: at $115, block of 7% Cum. Pfd. Stk. $500,000

BROOKLYN UNION GAS CO.

Nov. 4—Sold: electrical properties to its Subs., the FLATBUSH GAS CO. $5,000,000

BURNS BROTHERS, INC.

Sept. 1—Consideration: for acquisition of WYOMING VALLEY COAL CO., INC. was 9,153 shs. Class "A" Com. and 9,155 shs. Class "B" Com.
Consideration: for acquisition of entire outstanding Cap. Stks. of STEAMSHIP FUEL CORP.; TEMPLE CONTRACTORS, INC.; and SCHUYLKILL FUEL CORP. was 7,268 shs. Class "A" Com. and 7,272 shs. Class "B" Com. (See our Issue of Sept. 26.)

CERTAIN-TEED PRODUCTS CORP.

Oct. 15—Issued: privately, at not less than $40 cash, Add. Com. Stk. ....shs 25,000
Nov. 1—Redeemed: at 105, all 1st mtg. 6½s, '25-'43....$7,760,000

CUDAHY PACKING CO.

Oct. 15—Purchased: for cash, at foreclosure sale, plant of the FARMERS' TERMINAL PACKING CO., at St. Paul, which originally cost $550,000 ....$200,000
(After spending $100,000 on additions, new plant will have capacity of 300,000 hogs, 50,000 cattle, and 75,000 calves.)

CUSHMAN'S SONS, INC.

Oct. 28—Acquired: substantially all Cap. Stk. of the H. B. CUSHMAN CO., the E. A. CUSHMAN CO., and the HILL-WARE CO.; thereby adding over 50 stores to the 48 previously controlled, and expanding manufacturing facilities to supply 100 more stores.

DEERE & CO.

Nov. 1—Redeemed: at 103, all 10-yr., 7½ g. Notes, '31...$7,516,000

DETROIT UNITED RY. CO.

Oct. 29—Protective Committee formed: for 1st mtg., & Col. tr., s. f., 5-yr. 6s.

DEVOE & RAYNOLDS CO., INC.

Sept. 29—Arranged to offer: to employees, at $35, Add. Class "A" Com. ....shs 5,000
(Guarantee Trust Co. of N. Y. will advance total purchase price on this Stk. as collateral until fully paid for by employees.)
Oct. 23—Acquired: the WADSWORTH-HOWLAND CO., INC., paint & varnish Mfrs., Boston.
Oct. 28—Exchanged: 1 sh. new Class "B" Stk. and 2 shs. new Class "A" Com. for each of the old 40,000 shs. old Com. Stk. Out.

EATON AXLE & SPRING CO. (THE)

Oct. 30—Offered: to Com. Holders right to subscribe, at $23, to remainder of unissued Com. Stk. on basis of 1 sh. new for each 10 shs. held ....shs 20,500
Nov. 4—Acquired: Detroit plant & business of the AMERICAN AUTO PARTS CO., which now makes springs for Hudson, Essex, Cadillac, Packard, Studebaker and Mack.

ELKHORN COAL CORP.

Oct. 16—Sold: 1st & rfd. s. f. 6½, '31..................$4,500,000
Oct. 24—Changed par value: of Auth. Com. Stk. from $50 to no-par.
Nov. 14—Offered: to Pfd. and/or Com. Holders right to subscribe, at par, to one $1,000 6-yr. deb. 7% Note for each 248 shs. held $1,500,000
(Proceeds of 6½% bonds & 7% Notes to pay off $6,008,000 10-yr., 6% mtg. Notes, due Dec. 1)

EUREKA VACUUM CLEANER CO.

Feb. 27—Created: new issue of 250,000 shs. no-par Com. Stk.
Exchanged: 2½ shs. new Com. for each sh. old $10-par Com. shs 250,000
Mar. 21—Retired: all old 8% Cum. & Ptcptg. Pfd. Stk...$1,000,000
Created: & Sold at $10, new issue of $10-par Com. Stk.....$1,000
Subsequently—Purchased: & held as fully Pd. Treas. Stk., all $10-par Com. Stk. $1,000

FAIR (THE) (Also see Kresge Dep't Stores.)

Mar. 4—Increased: Auth. Com. Stk. from 250,000 shs. to 400,000 shs.

FLEISCHMANN CO.

Nov. 10—Increased: Auth. Com. Stk. from 1,500,000 shs. to 4,500,000 shs.

GENERAL BAKING CO.

Oct. 24—Com. Holders were offered: privilege of exchanging each sh. for 2 shs. Class "A" Stk. & 6 shs. Class "B" Com. of GENERAL BAKING CORP. (Inc. Oct. 3, with Auth. no-par Cap. of 5,000,000 shs. voting Class "B" Com. and 5,000,000 shs. Class "A" Stk., non-voting, $6 non-Cum. & Ptcptg. with Class "B" up to $2 additional. On Oct. 17, Units of 1 sh. "A" & 2 shs. "B" were offered at $100. All Class "B" Com. was issued "in connection with the organization and promotion of the Co., for a contract.")
(William Deininger, Pres. of General Baking Co., elected to accept the exchange offer for all his holdings, in lieu of the former cash offer of $225 a sh., reported in our Issue of Oct. 24. On Oct. 15, 1,250,000 shs. Class "A" & 3,750,000 shs. Class "B", "when issued," were listed on the New York Curb. General Baking Co. had 429,719 shs. Com. Stk. Out.)
Nov. 5—Absorption by General Baking Corp. officially announced.

GENERAL RAILWAY SIGNAL CO.

Oct. 2—Issued: for cash, Add. $100-par Com. Stk shs 55
Oct. 23—Changed par value of Auth. Com. Stk. from $100 to no par.
Increased: Auth. Com. Stk. from 65,000 shs. to 500,000 shs.
Oct. 29—Offered: to 6% Cum. Pfd. Holders right to subscribe, at $100, to 1 sh. Add. Pfd. for each 14 shs. held $172,707
Offered: to old $100-par Com. Holders right to subscribe at $300, to 1 sh. old Com. for each 14 shs. held..................$4,320,857
Oct. 30—Exchanged: 5 shs. new no-par Com. for each sh. old $100-par Com. ....shs 325,000

GOLD DUST CORP.

Nov. 1—Acquired: business and greater part of assets of the F. F. DALLEY CORP., producers of trade marked shoe polishes.

INLAND STEEL CO.

Oct. 26—Sold: s. f., deb. 5½s, '45....................$12,500,000

INTERNATIONAL PAPER CO.

Nov. 6—Increased: Auth. 7% Cum. Pfd. from $50,000,000 to $75,000,000.
Changed par value: of Com. Stk. from $100 to no par.
Increased: Auth. Com. Stk. from 500,000 shs. to 750,000 shs.

KANSAS CITY SOUTHERN RY. CO.

Oct. 14—Purchased: from THE CHICAGO, ROCK ISLAND & PACIFIC RY. CO. (at a profit of $500,000 to the latter Co.) its holdings of $13,480,000 of the $19,893,000 Pfd. Out. and $1,628,000 of the $16,356,100 Com. Out. of the ST. LOUIS SOUTHWESTERN RY. CO. ("COTTON BELT") (See our Issue of Apr. 11.)

KRESGE DEPARTMENT STORES, INC.

Nov. 16—Offered to acquire: Com. Stk. of THE FAIR; on exchange basis of 1 sh. KRESGE Com. for 1 sh. FAIR Com., or 1/10 sh. KRESGE Com. plus 3/10 sh. KRESGE 8% Cum. Pfd. for 1 sh. FAIR Com. (S. S. KRESGE, largest individual stockholder of the FAIR, accepted the former option.)

LEHN & FINK PRODUCTS CO.

Aug. 4—Incorporated: (With Auth. no-par Cap. of 1,000,000 shs. $3 Cum. & Ptcptg. Com. Stk. and 150,000 shs. 30c Cum. & Profit Sharing, cv. Management Stk.) to acquire all Out. Stk. of LEHN & FINK, INC. and the A. S. HINDS CO., in exchange for 265,000 shs. Com. & all Auth. Management Stk.

MARLAND OIL CO.

Nov. 1—Redeemed: at 101, all 2-yr. 5% Notes, due Nov. 1, 1926 $13,695,000

MARLIN-ROCKWELL CORP.

Nov. 12—Amended Ctf. of Incorporation: to permit conversion of each sh. of 7% Cum. Pfd. Stk. into 4 shs. of no-par Com. Stk.
Increased: Auth. Com. Stk. from 300,000 shs. to 400,000 shs. to provide for conversion of Pfd. Stk.

MAYTAG CO. (THE)

Aug. 15—Organized under laws of Delaware, with Auth. Cap. of 2,400,000 shs. no-par Com. Stk.
Aug. 31—Issued: block of Com. Stk., for cash.........shs. 250,000
Acquired: entire property and assets of the MAYTAG CO. of Maine (manufacturing washing machines at Newton, Iowa; with Subs. warehouse and sales organization in Winnipeg, Canada), in exchange for $2,915,005 cash plus block of Com. Stk...............shs. 1,350,000

METROPOLITAN EDISON CO.

Nov. 1—Redeemed: at 105½, all rfd. & imp. 8s, '35, Series "A" $1,593,000

MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE RY. CO.

Oct. 31—Sold: 1st cons. 5s, '38........................$8,136,000
(Proceeds to retire at maturity—Jan. 1, 1926—all MINNEAPOLIS SAULT STE. MARIE & ATLANTIC RY. CO. 1st 4s of like amount.)

MISSOURI PACIFIC R. R. CO. (Also see New Orleans, Texas & Mexico.)

Sept. 24—Owned: an undivided ½ interest in the Com. Stk. of THE DENVER & RIO GRANDE WESTERN R. R. CO.; over 53% of the Stk. of THE TEXAS & PACIFIC RY. CO.; and over 86% of the Cap. Stk. of NEW ORLEANS, TEXAS & MEXICO RY. CO., which latter owns all Stk. of INTERNATIONAL-GREAT NORTHERN R. R. CO.

NATIONAL DEPARTMENT STORES, INC.

Nov. 16—Offered: to Com. Holders right to subscribe, at $40, to 1 sh. new Com. for each 10 shs. held......................shs 50,000

NATIONAL DISTILLERS PRODUCTS CORP.

Nov. 6—Redeemed: at 104, all 6-yr. 7% gtd. cv. g. Notes, '30 $2,862,000

NEVADA CONSOLIDATED COPPER CO.

Nov. 10—Changed par value: of Cap. Stk. from $5 to no par.
Increased: Auth. Cap. Stk. from 2,000,000 shs. to 5,100,000 shs.

NEW ORLEANS, TEXAS & MEXICO RY. CO. (Subs. of MISSOURI PACIFIC R. R. CO., q. v.)

Nov. 7—Auth. by I. C. C.: to purchase the SAN ANTONIO, UVALDE & GULF R. R. (318 Mis.)

NEW YORK SHIPBUILDING CORP. (Also see American Brown Boveri Electric Corp.)

Oct. 17—Name changed: to "AMERICAN BROWN BOVERI

(Please turn to page 153)

Business Maintaining Its Gains

Further Expansion Noted with Prospects for Heavy Holiday Trade — Underlying Conditions Sound

STEEL

Outlook Good

THE steel situation has gained additional strength during the past fortnight. Consumers are more insistent in their demands, especially in those districts where stocks have been permitted to run low during previous weeks. Shipments are still falling behind new orders, a condition that foreshadows a still further gain in unfilled tonnage.

Production has risen to an average of approximately 82% of capacity. Despite the greater volume of output, however, sellers have been able to ask and receive better prices. Certain heavy steel products, notably plates, have yet to participate in the market's upward movement. The majority of items are up from $2 to $4 a ton. Cold-rolled strip has been boosted $3. Bars are up $2, but the greatest improvement has occurred in sheets which are higher by $4 in many instances.

Price advances are momentarily ex-

(*Please turn to page* 152)

THE TREND IN MAJOR INDUSTRIES

STEEL—Strong demand reflected in further expansion of output. Prices tending upward. Earnings outlook encouraging.

METALS—New buying movement carries copper out of former rut. Prices fractionally under 15 cents a pound. Further advance largely dependent upon recovery in foreign business.

OIL—Production still showing slight tendency toward sag. Refined and crude oil markets manifest greater stability as result of reduction in surplus stocks.

TEXTILES—Retail trade in cottons and woolens is fairly active. Weather conditions stimulate some lines. Silk production still at peak although buying slackens moderately.

MOTORS—Seasonal tapering off in motor industry finds producers in exceptionally strong financial position. Inventory accounts well in hand as consequence of conservative operations during current year.

RUBBER—Raw material holds at high levels despite more liberal export allowance from British plantations. Heavy consumption prevents increase in stocks which are still light.

SUGAR—Small gain in price of raws suggestive of more stable sugar market but prospects for early recovery do not appear bright. Present indications point to large crop next year.

MAIL ORDER—High purchasing power and generally satisfactory employment conditions reflected in record volume of mail order and chain store sales. Heavy holiday trade anticipated.

COAL—Prolongation of anthracite strike continues to stimulate demand for and production of soft coal. Prices still rising. Operators in better position.

TOBACCO—Steady gain in cigarette consumption indicates another record year for tobacco business. Cigar demand not so good but outlook improved as result of operating economies and return of five-cent brands.

SUMMARY—The aggregate volume of business is increasing, notwithstanding some insignificant shrinkage in a few quarters. By and large, trade and industry rest upon a sound foundation with ample justification for hope of further gains.

COMMODITIES*

(See Footnote for Grades and Unit of Measure)

	1925 High	1925 Low	*Last
Steel (1)	$38.00	$35.00	$35.00
Pig Iron (2)	22.00	18.00	19.50
Copper (3)	0.15¼	0.13¼	0.14⅞
Petroleum (4)	3.80	3.00	3.15
Coal (5)	2.17	1.82	2.17
Cotton (6)	0.25⅝	0.21	0.21¾
Wheat (7)	2.31¾	1.50	1.74
Corn (8)	1.27	0.78	0.80¾
Hogs (9)	0.14¼	0.10⅛	0.11⅜
Steers (10)	0.14	0.10¾	0.13¼
Coffee (11)	0.23⅞	0.17⅛	0.19⅛
Rubber (12)	1.20½	0.35	1.02
Wool (13)	0.70	0.48	0.53
Tobacco (14)	0.24	0.22	0.22
Sugar (15)	0.04⅝	0.03¾	0.03⅞
Sugar (16)	0.07	0.05⅛	0.05⅛
Paper (17)	0.09	0.03⅝	0.03¾

*Nov. 10.

(1) Open hearth billets, $ per ton; (2) Basic Valley, $ per ton; (3) Electrolytic, c. per pound; (4) Pennsylvania, $ per barrel; (5) Pittsburgh, mine run, $ per ton; (6) Spot, New York, c. per pound; (7) No. 2 red, New York, $ per bushel; (8) No. 3 Yellow, Chicago, $ per bushel; (9) Light, Chicago, c. per pound; (10) Top, Heavies, Chicago, c. per lb.; (11) Rio, No. 7, Spot, c. per lb.; (12) First Latex crepe, c. per lb.; (13) Ohio, Delaine, unwashed, c. per lb.; (14) Medium Burleigh, Kentucky, c. per lb.; (15) Raw Cubas 96° Full Duty, c. per lb.; (16) Refined, c. per lb.; (17) Newsprint per carload roll, c. per lb.

Important Changes in Capitalization of Leading Companies

Actual Changes Reported Since Our Issue of Oct. 24

(*Continued from page* 150)

ELECTRIC CORP." (U. S. A. branch of BROWN BOVERI & CO., LTD., at Baden, Switzerland.)

NIAGARA FALLS POWER CO.

Oct. 8—700,000 shs. Com. Stk. held by BUFFALO, NIAGARA & EASTERN POWER CORP. (See our Issue of Aug 1), leaving available for market only..............................shs 20,560

NORTH AMERICAN CO. (THE)

Nov. 2—Offered to exchange: 1 sh. 6% Cum. Pfd. & 4/5 sh. Com. for WESTERN POWER CORP. 7% Cum. Pfd. Stk., up to 25,000 shs. of the latter out of 96,554 shs. Out.; also 1¼ shs. Com. for each of the 219,200 shs. Out. of WESTERN POWER CORP. Com. Stk. Arrangements were made to cash NORTH AMERICAN Com. at $60 a sh. (Up to Nov. 5, control was assured through surrender of all the 25,000 shs. W. P. Corp. Pfd. and all but 21,912 shs. of W. P. Corp. Com.)

PAN AMERICAN PETROLEUM & TRANSPORT CO.

Nov. 4—Acquired: a controlling interest in the LAGO PETROLEUM CO., with 8,000 acres of oil land that produced over 900,000 bbls. crude in Oct.—in the basin of Lake Maracaibo, Venezuela—and storage facilities for 1,000,000 bbls.

POSTUM CEREAL CO., INC.

Nov. 6—Increased: Auth. Com. Stk. from 400,000 shs. to 800,000 shs.

PUBLIC SERVICE CORP. OF NEW JERSEY

Oct. 31—Offered: to 8% and/or 7% Cum. Pfd. Holders right to subscribe, at $100, to 1 sh. new 6% Cum. Pfd. for each 4 shs. held $11,800,300

PUBLIC SERVICE ELECTRIC & GAS CO.

Oct. 22—Auth. by Pub. Util. Com. of N. J. to issue: at $10, Add. Com. Stk. ....shs 1,000,000

RADIO CORPORATION OF AMERICA

Oct. 27—GENERAL ELECTRIC CO. and UNITED FRUIT CO. each owned 49% of RADIO stk.

ST. LOUIS-SAN FRANCISCO RY. CO.

Oct. 16—Purchased: all Cap. Stk. and 1st mtg. Bonds of JONESBORO, LAKE CITY & EASTERN R. R. CO (87 Mis.) through issue of Add. Series "D", prior ln. mtg. 5½s, '42.........$1,750,000

SIMMONS CO.

Jan. 2—Paid: to Com. Holders a Div. of 8% in Com. Stk..shs 72,928
Nov. 5—Sold: to certain employees, in order to secure their services, Com. Stk. ....shs 15,471

STANDARD GAS & ELECTRIC CO.

Sept. 23—Offered: to Com. Holders right to subscribe, at $48 to 1 sh. new Com. for each 5 shs. held.......................shs 126,484

UNITED CIGAR STORES CO. OF AMERICA

Oct. 15—Decided to open 100 new stores in Florida

UNITED DRUG CO.

Oct. 30—Purchased: for cash, several chains of retail stores (aggregating 23 units) on the Pacific Coast; to be operated by its Subs. LIGGETT DRUG STORES.

U. S. REALTY & IMPROVEMENT CO.

Nov. 1—Privilege of converting 7% Cum. Pfd. into Com. expired. (Up to July 1, $7,234,900 Pfd. had been converted; leaving only $846,500 Out.)

U. S. SMELTING, REFINING & MINING CO.

Oct. 23—Sold: 10-yr., 5½% g. Notes, '35....................$8,000,000 (Proceeds toward retiring, at or before maturity, $12,000,000 Notes due Feb. 1, 1926.)

WESTON ELECTRICAL INSTRUMENT CORP.

Oct. 13—Increased: Auth. Com. Stk. from 100,000 shs. to 250,000 shs.
Nov. 2—Offered: to Com. and/or Class "A" Holders right to subscribe, at $15, to 1 sh. new Com. for each 4 shs. held....shs 50,000

WABASH RY. CO.

Nov. 7—Auth. by I. C. C. to purchase control of the ANN ARBOR R. R.

New York Stock Exchange

RAILS

	Pre-War Period 1909-1913 High	Low	War Period 1914-1918 High	Low	Post-War Period 1919-1924 High	Low	1925 High	Low	Last Sale 11/11/25	Div'd $ per Share
Atchison	125⅝	90¼	111¼	75	120¾	91¾	127⅞	116¼	122⅝	7
Do. Pfd.	106¾	96	102⅛	75	96⅝	72	97⅜	92½	108	5
Atlantic Coast Line	148½	102½	126	79⅞	152¼	77	225	147¼	220	8
Baltimore & Ohio	122¼	90⅝	96	88¼	84⅞	27⅝	89¼	71	88¾	5
Do. Pfd.	96	77¼	80	48¼	66½	38½	66⅝	62⅞	66½	4
Bklyn-Man. Transit.	..	..	..	..	41⅞	9¼	64	35⅛	58½	..
Do. Pfd.	..	..	..	..	75¾	31⅜	82	72⅞	†79½	6
Canadian Pacific	283	165	220⅛	126	170⅞	101	152⅜	136½	149⅜	10
Chesapeake & Ohio	92	51⅛	71	35⅝	98¼	46	111⅜	84¼	108⅜	4
Do. Pfd.	..	..	..	..	109½	96	115½	105¼	†114	6½
C. M. & St. Paul	165⅛	96¾	107⅛	35	52¾	10⅞	16⅜	3¼	8¼	..
Do. Pfd.	181	180½	143	62½	76	18¼	28½	7	18½	..
Chic. & Northwestern	198½	123	136⅞	35	105	45⅞	75⅜	47½	70⅛	4
Chicago, R. I. & Pacific	..	..	45¾	16	50	19⅛	54¼	40⅛	45½	..
Do. 7% Pfd.	..	..	94¾	44	105	64	99¼	92	†96½	7
Do. 6% Pfd.	..	..	80	35¾	93¾	54	89½	82	85⅛	6
Delaware & Hudson	200	147⅛	159⅛	87	141⅛	83¼	155	133½	146¾	9
Delaware, Lack. & W.	340	192½	242	160	260½	93	147¾	125	137¼	‡7
Erie	61¼	33½	59½	18¾	35⅜	7	37	26¾	34½	..
Do. 1st Pfd.	49¾	26¼	54¾	15⅛	49¼	11⅛	46⅞	35	40⅞	..
Do. 2nd Pfd.	89⅛	19⅛	45⅝	13⅛	46¼	7⅛	43¾	34	39	..
Great Northern Pfd.	157⅞	115⅛	134¾	79¼	100⅝	50⅝	76¼	60	74¾	5
Hudson & Manhattan	..	..	..	..	29¼	20⅝	38⅜	21¾	35½	2½
Illinois Central	162⅛	102¾	115	85¾	117⅞	80⅞	119⅝	111	115⅞	7
Interboro Rap. Transit	..	..	..	..	39¼	9⅛	34⅛	13½	27¼	..
Kansas City Southern	50¼	21⅜	35⅛	13⅛	41¾	13	43½	28⅝	39	..
Do. Pfd.	75½	56	65½	40	59⅛	40	62	57	†58¾	4
Lehigh Valley	121¼	62½	87⅛	50⅝	85	39½	84¼	69	84	3½
Louisville & Nashville	170	121	141⅞	103	155	84¾	137	106	130⅞	6
Mo., Kansas & Texas	*51⅛	*17½	*24	*3⅛	34⅝	*¾	45½	28¼	39	..
Do. Pfd.	*78¼	*46	*60	*6⅛	75¾	*2	91¾	79¾	83⅛	5
Missouri Pacific	*77½	*21⅛	38½	19⅞	38⅞	8¼	41	30⅜	34½	..
Do. Pfd.	..	..	64⅞	37⅛	74	22¼	88½	71	81⅜	..
N. Y. Central	147¾	90⅜	114¼	62½	119¾	64⅛	128¼	113¼	126	7
N. Y., Chi. & St. Louis	109¾	90	90¾	55	128	23¾	152⅞	118	146¼	6
N. Y., N. H. & Hartford	174¾	65⅝	89	21½	40⅞	9⅝	40¼	28	38⅝	..
N. Y., Ontario & W.	55⅜	25⅛	35	17	30½	14¼	34¾	20⅝	27¼	1
Norfolk & Western	119¼	84¼	147⅛	92⅝	133¼	84¼	142¼	123½	140½	‡7
Northern Pacific	159½	101¾	118⅞	75	99⅞	47⅞	72½	58¼	72	5
Pennsylvania	75⅝	53	61½	40¼	50	32¼	51	42½	50¼	3
Pere Marquette	*36⅛	*15	38⅛	9½	73	12⅛	80½	61¾	79	4
Pittsburgh & W. Va.	..	..	40⅜	17¾	94	21⅛	95½	63	94⅜	..
Reading	89⅝	59	115½	60⅛	108	51⅞	91¼	69¾	86¾	4
Do. 1st Pfd.	46¾	41¼	46	34	61	32⅞	41	35⅞	39¼	2
Do. 2nd Pfd.	58¾	42	52	33¾	65½	33⅛	44⅜	36¼	40	2
St. Louis-San Fran.	*74	*13	50⅛	21	65	10¾	102¼	57½	95½	7
St. Louis Southwestern	40⅜	18½	32⅛	11	55⅞	10⅞	63	43¾	52½	..
Seaboard Air Line	27½	13¼	22⅜	7	24⅛	2⅛	53¼	20⅜	49	..
Do. Pfd.	56½	23⅛	58	15⅛	45½	3	51½	35	48¾	..
Southern Pacific	139⅛	83	110	75¾	118⅛	67½	108⅜	96	99⅞	6
Southern Railway	34	18	36¾	12⅛	79¾	24¾	115⅝	77⅝	113⅜	5
Do. Pfd.	86⅞	43	85¼	42	85	42	95½	83	90½	5
Texas & Pacific	40⅛	10¼	29⅛	6⅛	70½	14	58¾	43¼	50	..
Union Pacific	219	137¾	164⅜	101¼	154¾	110	153¼	133¼	142½	10
Do. Pfd.	118½	79¾	86	69	80	61¼	77¼	73¼	75	4
Wabash	*27⅞	*2	17½	7	24⅜	6	47¼	19½	38¼	..
Do. Pfd. A	*61¾	*6⅛	60½	30⅞	60¾	17	73½	55¾	69½	5
Do. Pfd. B	..	..	32⅞	18	42⅜	12¼	60½	38½	†53	..
Western Maryland	*56	*40	23	9¼	17¼	8	18⅜	11	15¾	..
Do. 2nd Pfd.	*88¼	*53½	*58	20	30½	11	26¼	16	22½	..
Western Pacific	..	..	25½	11	40	12	34¾	19¾	32½	..
Do. Pfd.	..	..	64	35	86½	51⅛	79⅜	72	79¼	6
Wheeling & Lake Erie	*12⅞	*2½	27⅜	8	18¼	6	25⅜	10¾	24	..
Do. Pfd.	..	..	50⅝	16⅝	32½	9¼	48	22	46	..

INDUSTRIALS

	Pre-War Period 1909-1913 High	Low	War Period 1914-1918 High	Low	Post-War Period 1919-1924 High	Low	1925 High	Low	Last Sale 11/11/25	Div'd $ per Share
Adams Express	270	90	154½	42	93½	22	117¼	90	103½	6
Ajax Rubber	..	..	89⅛	45⅛	113	4¼	15⅞	10	11	..
Allied Chem. & Dye	..	..	..	..	91¾	34	115¾	80	111¼	4
Do. Pfd.	..	..	..	..	118⅝	83	121	117	120⅝	7
Allis-Chalmers Mfg.	10	7⅝	49⅛	6	73⅝	26⅛	95	71½	90	6
Do. Pfd.	43	40	92	32½	104⅞	67½	108¾	103¼	†107	7
Am. Agric. Chem	63⅝	33½	106	47¾	113¾	7⅛	29⅞	13½	26	..
Do. Pfd.	105	90	103⅛	89⅛	103	18⅜	79¾	36½	75⅞	..
Am. Beet Sugar	77	19¾	108½	19	103¾	24⅛	43	29⅝	33½	4
Am. Bosch Magneto	..	..	..	..	143⅞	22¼	54½	26¼	30½	..
Am. Can	47⅜	6⅞	68⅛	19¼	163½	21¾	263	158½	251¼	‡5
Do. Pfd.	129¼	98	114½	80	119	72	121⅞	115	†120½	7
Am. Car & Foundry	76½	36½	98	40	201	153⅛	115¾	97½	109	6
Do. Pfd.	124¾	107½	119½	100	126⅛	105¾	128	120¾	125	7
Am. Express	300	94¾	140½	77½	175	76	166	125	137¾	6
Am. Hide & Leather	10	3	22⅛	2½	43⅛	5	14	8½	12¼	..
Do. Pfd.	51⅞	15⅛	94⅞	10	142⅜	29¾	75⅞	58½	†63½	..
Am. Ice	..	..	49	8⅞	122	37	128	83	128½	8
Am. International	..	..	62¾	12	132¼	17	45½	32⅛	44⅝	..
Am. Linseed Pfd.	47¾	20	92	24	113	4¼	89	53	86	7
Am. Locomotive	74¾	19	98¼	46⅝	136¾	58	144⅞	104½	121¼	‡8
Do. Pfd.	122	75	109	93	122¼	96½	124	115	119¾	7
Am. Metal	..	..	..	..	55⅞	38¾	57⅝	45¾	55	4
Am. Radiator	*500	*200	*445	*235	*345	64	122½	89⅞	116	4
Am. Safety Razor	..	..	..	..	40⅝	*3½	74	36⅞	68⅝	3
Am. Ship & Commerce	..	..	..	..	47½	4¾	14½	5⅜	6⅞	..
Am. Smelt. & Ref.	105½	56⅝	123¾	50¼	100⅜	29¼	125⅝	90⅜	120⅛	7
Do. Pfd.	116¾	98¼	118⅞	97	109⅝	63¼	115¼	105½	†112½	7
Am. Steel Foundries	74⅛	24⅛	95	44	50	18	44⅝	37⅝	42	3
Do. Pfd.	..	..	..	..	109¼	78	113⅛	108	†112	7
Am. Sugar Refining	136⅜	99⅞	126¼	89⅛	148⅜	36	74⅜	47⅝	71⅞	5
Do. Pfd.	133½	110	123½	106	119	67½	101½	91	99¾	7
Am. Sumatra Tobacco	..	..	145¾	15	120½	6⅜	24½	6	9⅞	..
Do. Pfd.	..	..	103	75	105	22½	120⅛	28	†91	..
Am. Tel. & Tel.	153⅜	101	134⅛	90⅝	134¾	92⅛	144¼	130⅝	141½	9

Price Range of Active Stocks

INDUSTRIALS—*Continued*

	Pre-War Period 1909-1913		War Period 1914-1918		Post-War Period 1919-1924		1925		Last Sale 11/11/25	Div'd $ per Share
	High	Low	High	Low	High	Low	High	Low		
Am. Tobacco	*530	*200	*256	*123	*314½	82⅛	121½	85	115⅛	‡8
Do. Com. B	..	..	..	..	*210	81¼	119½	84½	114½	‡8
Am. Water Wks. & Elec.	..	..	..	..	*144	*4	68½	34⅜	52	1.20
Am. Woolen	40⅝	15	60⅞	12	169½	51¼	64¾	34¾	47⅞	..
Do. Pfd.	107¾	74	102	72½	111⅞	88⅛	96⅛	69½	90⅝	7
Anaconda Copper	54⅜	27½	105⅜	24¼	77⅞	28⅛	53¼	35¼	51	3
Associated Dry Goods	..	..	28	10	140½	48	61⅜	46½	56½	2½
Do. 1st Pfd.	..	..	75	50½	94	49⅞	102	94	100	6
Do. 2nd Pfd.	..	..	49½	35	102⅝	38	108	101	108	7
Associated Oil	..	..	*78¾	*52½	*142	24⅞	41⅛	32	38½	2
Atl. Gulf & W. Indies	13	5	147¾	4½	192⅝	9¼	77	20	62¼	..
Do. Pfd.	32	10	74¾	9⅞	76½	6¾	60	31	53¾	..
Atlantic Refining	..	..	..	..	*1575	78½	117½	95½	107⅞	..
Austin Nichols	..	..	..	..	40⅜	8	32½	22	30½	..
Do. Pfd.	..	..	..	..	91	50⅝	95	87⅜	†92	7
Baldwin Locomotive	60¾	36½	154½	26⅝	156¼	62¼	146	107	126	7
Do. Pfd.	107½	100¼	114	90	118	92	116⅝	107	†113¼	7
Bethlehem Steel	*51⅝	*18¾	155½	59¾	112	37¾	53½	37	47⅞	..
Do. 7% Pfd.	80	47	186	68	108	87	102	93¼	†99½	7
Do. 8% Pfd.	..	..	110½	92½	116⅝	90	116½	109	114½	8
Brooklyn Edison Electric	134	123	131	87	124⅝	82	156½	120⅝	154	8
Brooklyn Union Gas	164½	118	138¾	78	128	41	100¼	75½	96½	‡11
Burns Brothers	45	41	161½	50	147	76	123⅞	92½	119¾	10
Do. B	..	..	..	..	53	19⅝	36⅝	17	32½	2
Butte & Superior	..	..	105¼	12¼	37⅞	8	24¼	6½	12¼	2
California Packing	..	..	50	30	106¼	48¼	132⅞	100½	128	6
California Petroleum	72½	16	42⅝	8	71⅞	15¾	32⅞	23⅞	31¼	2
Central Leather	51¾	16½	123	25⅞	116½	9⅝	23⅝	14¾	19¾	..
Do. Pfd.	111	80	117½	94⅞	114	28⅛	71	49¼	66⅞	..
Cerro de Pasco Copper	..	..	55	25	67½	23	64¼	43⅛	61¾	4
Chandler Motor	..	..	109⅞	56	141¼	26⅞	52	27½	43½	3
Chile Copper	..	..	39¼	11¼	38⅜	7	37⅝	30½	35⅝	2½
Chino Copper	50⅜	6	74	31⅜	50⅞	14¾	28⅜	19	†21	..
Chrysler Corp.	..	..	..	..	..	..	253	108¼	215	..
Do. Pfd.	..	..	..	..	..	..	111⅞	100⅛	109¼	8
Coca Cola	..	..	..	..	83⅜	18	177¾	80	170	7
Colorado Fuel & Iron	53	22½	66½	20½	56	20	48¼	32¼	38¾	..
Columbia Gas & Elec.	..	..	54⅛	14¼	114⅞	30¼	86	45¾	79¼	2.60
Congoleum-Nairn	..	..	..	..	*184⅜	32⅜	43½	20	23	2
Consolidated Cigar	..	..	..	..	80	11⅜	46	26½	42	..
Consolidated Gas	*165¼	*114½	*150½	*112½	*145¾	56¼	95¼	74⅛	92⅛	5
Continental Can	..	..	*127	*37½	*131¾	*34⅜	85½	60½	81⅞	4
Corn Products Refining	26½	7⅜	50½	7	160½	31½	41⅝	32⅜	37	2
Do. Pfd.	98½	61	113½	58⅛	123¾	96	127	118⅛	120	7
Crucible Steel	19⅝	6½	109⅞	12¼	278½	48	84⅝	64½	78½	4
Cuba Cane Sugar	..	..	76⅜	24⅞	59⅜	5⅝	14⅝	7¾	9	..
Do. Pfd.	..	..	100½	77¼	87⅞	13⅛	62⅝	37⅛	43¼	..
Cuban-American Sugar	*58	33	*273	*38	*605	10⅞	33½	20	23½	2
Cuyamel Fruit	..	..	..	..	74½	45⅛	59	47	47⅛	4
Davison Chemical	..	..	..	..	81¼	20⅜	49¾	27⅞	39½	..
Dupont de Nemours	..	..	..	..	169¾	105	270	134¼	247	‡8
Eastman Kodak	*No	Sales	*605	*605	*690	70	118	104¾	112¼	‡5
Electric Storage Battery	*64¼	*42	*78	*42¼	*153	37	75⅝	60¾	73	4
Endicott-Johnson	...	..	..	..	150	44	74⅞	63¾	69	5
Do. Pfd.	..	..	..	..	119	84	118¾	112½	†115	7
Famous Players-Lasky	..	..	..	..	123	40	114¾	90¼	107⅝	8
Do. Pfd.	..	..	..	..	108½	66	120	103⅞	†114	8
Fisher Body	..	..	43	25	240	75	125	60¼	114⅞	5
Fisk Rubber	..	..	..	..	55	5½	28¾	10½	25⅞	..
Do. 1st Pfd.	..	..	..	..	86	38⅛	114¾	75½	109	7
Fleischmann Co.	..	..	..	..	90¼	37⅜	146	75	139	‡4
Foundation Co.	..	..	..	..	94⅝	58½	173¾	89½	166	8
Freeport-Texas	..	..	70½	25¾	64⅜	7½	24⅞	8	20⅛	..
General Asphalt	42⅞	15½	39⅜	14¼	160	23	63¾	42½	56½	..
General Cigar	..	..	..	..	98⅝	47	109	84½	103	8
General Electric	188½	129¾	187¼	118	322	109½	337¼	227¼	314	8
General Motors	*51¾	*25	*850	*74½	66⅞	*8⅛	149¾	64⅝	139¼	‡6
Do. 7% Pfd.	..	..	..	..	103½	95⅛	114½	102	113	7
General Petroleum	..	..	..	..	45	38⅜	59	42	49¼	2
Goodrich (B. F.) Co.	86½	15½	80¼	19⅝	93⅜	17	74¾	36¾	69⅛	4
Do. Pfd.	109¾	73⅜	116¾	79⅞	109½	62⅛	101¼	92	†100⅝	7
Goodyear T. & R. Pfd.	..	..	..	..	90⅝	35	114⅝	86⅛	110½	7
Do. prior Pfd.	..	..	..	..	108⅛	88	108	103	108	8
Granby Consolidated	78¼	26	120	58	80	12	21¾	13	20¼	..
Great Northern Ore Ctfs.	88½	25½	50⅜	22½	52¾	24⅞	40½	26¾	31½	1
Gulf States Steel	..	..	137	58⅜	104⅝	25	95¾	67⅛	88¾	5
Hayes Wheel	..	..	..	..	52⅞	31	49½	30	45½	‡3
Houston Oil	25½	8¼	86	10	116½	40⅛	85	59	70	..
Hudson Motor Car	..	..	..	..	36	19½	139½	33¾	116¼	3
Hupp Motor Car	..	..	11¾	2½	29⅛	4⅝	31	14¼	25¾	1
Inland Steel	..	..	..	..	48¾	31⅛	50	38¾	42¼	2½
Inspiration Copper	21⅛	13⅞	74¾	14¼	68⅞	22⅛	32¾	22¼	27¾	2
Inter. Business Mach.	..	..	52⅝	24	118⅞	28¾	176	110	171¼	8
Inter. Combustion Eng.	..	..	..	..	39	19⅝	58⅜	31¾	57¾	2
Inter. Harvester	..	..	121	104	149⅝	66¾	138¼	96⅛	126¾	5
Inter. Merctl. Marine	9	2⅛	50⅝	⅝	67¾	4⅞	14⅞	7⅛	9½	..
Do. Pfd.	27⅝	12½	125⅝	8	128½	18½	52¾	27	38	..
Inter. Nickel	*227¼	*135	57½	24½	33⅞	10⅜	41⅜	24¼	39	2
Inter. Paper	19¾	6½	75½	9½	91¾	27⅞	76	48¼	57½	..
Kelly-Springfield Tire	..	..	85¼	36⅞	164	9¾	21⅝	12¼	16⅞	..
Do. 8% Pfd.	..	..	101	72	110¼	33	74	41	64½	..
Kennecott Copper	..	..	64¼	25	57¾	14⅝	59¼	46½	57⅞	3
Kinney (G. R.) Co.	..	..	..	..	86¼	35½	103	72	82½	4
Lima Locomotive	..	..	..	..	74⅞	52	74⅜	60	66⅝	4
Loew's, Inc.	..	..	..	..	38⅜	10	44¾	22	41¼	2
Loft, Inc.	..	..	..	..	28	5⅛	9⅛	6	7¾	..
Lorillard (P.) Co.	*215½	*150	*239⅞	*144½	*245	33⅜	39¾	30¼	37	3
Mack Trucks	..	..	..	..	170	25½	242	117	221½	6
Magma Copper	..	..	..	..	45⅝	26⅛	46	34	44⅛	3
Mallinson & Co.	..	..	..	..	45	8	37½	21⅝	22¼	..
Maracaibo Oil Explor.	..	..	..	..	37½	16	35½	20⅜	23	..
Marland Oil	..	..	..	..	59⅝	12⅛	57	32⅝	55⅞	1½

(Please turn to next page)

New York Stock Exchange
Price Range of Active Stocks

INDUSTRIALS—*Continued*

	Pre-War Period 1909-1913		War Period 1914-1918		Post-War Period 1919-1924		1925		Last Sale	Div'd $ per
	High	Low	High	Low	High	Low	High	Low	11/11/25	Share
May Department Stores	*88	*65	*97½	*35	*174¾	*60	133⅝	101	131	5
Mexican Seaboard Oil	..	..	..	..	34½	5¾	22½	10¾	11½	..
Miami Copper	30¼	12¾	49¾	16½	32¾	14½	24¾	8	10⅛	1
Montgomery Ward	..	..	..	..	48½	12	82	41	77	..
National Biscuit	*161	*96½	*139	*79⅞	*270	35⅝	77	65	70¼	‡3
National Dairy Prod.	..	..	..	..	44½	30⅛	81⅞	42	75¼	3
National Enam. & Stamp.	30¼	9	54½	9	39½	18½	39	25	†33½	..
National Lead	91	42½	74⅝	44	169¼	63½	174¾	138½	165	8
N. Y. Air Brake	98	45	136	55⅞	145¾	26⅝	56½	31½	37½	2
Do. Class A	..	..	..	..	57	45⅛	57½	50	55	4
N. Y. Dock	40¼	8	27	9¼	70¾	15¼	44	18	42¾	..
North American	*87⅞	*60	*81	*38⅞	*119½	17½	75	41⅛	67¼	§10%
Do. Pfd.	..	..	..	..	50¼	31⅞	50½	46⅝	49⅛	3
Pacific Oil	..	..	..	..	69⅜	27½	65¼	51⅝	61⅛	3
Packard Motor Car	..	..	..	..	21	9⅞	48	15	46	2
Pan.-Am. Pet. & Trans.	..	..	70¾	35	140¼	38⅛	83⅞	59½	71¾	6
Do. Class B	..	..	..	..	111¾	34⅛	84½	60⅛	73¼	6
Philadelphia Co.	59¼	37	48⅞	21½	57½	26½	64¾	51⅛	60⅛	4
Phila. & Reading C. & I.	..	..	..	..	54¼	34⅛	52½	37¾	39¾	..
Phillips Petroleum	..	..	..	..	69⅝	16	47⅛	36¼	44	2
Pierce-Arrow	..	..	65	25	99	6⅛	47¾	10⅞	37⅜	..
Do. Pfd.	..	..	109	88	111	13⅛	100	43	91⅛	..
Pittsburgh Coal	*29⅜	*10	58¾	37½	74⅝	45	54½	37¼	†42¾	..
Postum Cereal	..	..	..	..	134	47	143	93¼	132	4
Pressed Steel Car	56	18½	88¼	17¼	113¾	39	69	45	†57½	..
Do. Pfd.	112	88½	109½	69	106	67	92½	26½	82	7
Pub. Serv. N. J.	..	..	..	..	70	39	87⅞	62⅝	80¼	5
Pullman Company	200	149	177	106½	151⅜	87¾	173½	129	158¼	8
Punta Alegre Sugar	..	..	51	29	120	24¾	47¼	33	37¾	..
Pure Oil	..	..	143⅞	31⅞	61⅞	16¼	33¼	25⅛	27	1½
Radio. Corp. of Am.	..	..	..	..	66⅞	25⅞	77⅞	46	43½	..
Railway Steel Spring	54½	22¼	78½	19	137½	67	179⅜	122½	175	8
Do. Pfd.	113⅜	90¼	105½	75	121½	92½	121	114¼	119	7
Ray Consol. Copper	27½	7½	37	15	27½	9⅞	17⅜	11⅜	13¾	..
Replogle Steel	..	..	..	..	93½	7¼	23¼	12⅝	15½	..
Republic Iron & Steel	49½	15¾	96	18	145	40½	64⅜	42⅛	54½	..
Do. Pfd.	111¼	64½	112⅝	72	106¾	74	95	84¼	94	7
Royal Dutch N. Y.	..	..	86	56	123⅜	40	57⅜	48¼	53⅛	a1.73½
Savage Arms	..	..	119¾	39⅞	94½	8⅞	108⅜	48½	67¼	..
Schulte Retail Stores	..	..	..	..	129¼	88	129¾	101¾	128⅞	..
Sears, Roebuck & Co.	124¾	101	233	120	243	54¼	233½	147½	226¾	6
Shell Trans. & Trading	..	..	..	..	90¼	29⅛	45¾	39½	†43⅝	2.16
Shell Union Oil	..	..	..	..	22½	12⅛	28⅜	23⅝	24⅝	1.40
Simmons Company	..	..	..	..	37	22	54⅝	31¼	52¼	2
Simms Petroleum	..	..	..	..	24	6½	26¾	17¾	23	1
Sinclair Consol. Oil	..	..	67⅛	25¼	64¼	15	24⅞	17	20	..
Skelly Oil	..	..	..	..	35	8⅝	30½	21¾	29½	2
Sloss-Sh. Steel & Iron	94⅝	23	93¼	19½	89	32½	118½	80¼	111	6
Standard Oil of Calif.	..	..	..	..	135	47⅛	67¼	51½	56¼	2
Standard Oil N. J.	*448	*322	*800	*355	*212	30⅞	47¼	38⅜	41⅝	1
Do. Pfd.	..	..	..	..	119⅛	100⅛	119	116¼	117¾	7
Stewart-Warner Speed.	..	..	*100½	*43	*181	21	84⅞	55	77½	‡5
Stromberg Carburetor	..	..	45¼	21	118¼	22½	89⅝	61	81	6
Studebaker Company	49½	15¾	195	20	151	30½	68⅝	41¼	59⅞	‡5
Do. Pfd.	98½	64½	119½	70	118¼	76	125	112	†121	7
Tennessee Cop. & Chem.	..	..	21	11	17¼	6¼	14½	7⅝	13½	1
Texas Co.	144	74½	243	112	57¾	29	54⅜	42¾	51⅛	3
Texas Gulf Sulphur	..	..	..	..	110	32⅝	121½	97½	115¾	8
Tex. & Pac. Coal & Oil	..	..	..	..	195	5½	23⅜	10⅞	13½	..
Tide Water Oil	..	..	225	165	275	94	36¼	30¼	33⅞	1
Timken Roller Bearing	..	..	..	..	45	28½	59⅜	37¼	56½	‡3
Tobacco Products	145	100	82⅜	25	115	45	100	70	93½	6
Do. Class A	..	..	..	..	93½	76½	108¾	93⅛	105	7
Transcontinental Oil	..	..	..	..	62⅝	1⅛	5⅞	3½	3¾	..
Union Oil of Calif.	..	..	..	..	39	35	43⅜	33	35	1.80
United Cigar Stores	..	..	*127⅞	*8⅜	*255	42½	115½	60¼	107½	§3¼
United Drug	..	..	90⅞	64	175⅛	46¼	162½	110⅞	149½	7
Do. 1st Pfd.	..	..	54	46	58⅛	36⅝	56⅜	52	†55¼	3½
United Fruit	208½	126½	175	105	224⅞	95¾	246	204⅞	230	10
United Ry. Investment	49	16	27½	4¼	41	6	33½	18	†19	..
Do. Pfd.	77	30	49¼	10½	64⅞	14	83¼	48½	70	..
U. S. Cast I. Pipe & F.	32	9¼	31⅞	7¾	169⅝	10½	250	131¼	210	..
Do. Pfd.	84	40	67½	30	104¼	38	113	91	100½	7
U. S. Indus. Alcohol	57¼	24	171½	15	167	35¼	98	76	89¾	..
U. S. Realty & Imp.	87	49¾	63¾	8	143½	17¼	184½	114½	165¼	8
U. S. Rubber	59⅛	27	80⅛	44	143¾	22½	89¼	33½	86⅛	..
Do. 1st Pfd.	123½	98	115¼	91	119½	66½	108¾	92¾	106½	8
U. S. Smelt., Ref. & Min.	59	30⅜	81½	20	78¼	18⅜	48½	30	45½	3
U. S. Steel	94⅞	41¼	136⅝	38	121	70¼	139¼	112¾	131¾	5
Do. Pfd.	131	102½	123	102	123½	104	126⅝	122⅛	125⅞	7
Utah Copper	67⅛	38	130	48½	97½	41⅛	106	82	†104	4
Vanadium Corp.	..	..	..	..	97	19⅝	34¾	25⅝	31½	2
Western Union	86¼	56	105½	53⅜	121¼	78	144⅞	116¼	138	7
Westinghouse Air Brake	141	132½	143	95	124½	76	144	97	129	6
Westinghouse E. & M.	45	24¾	74⅞	32	71⅜	38⅞	84	66¼	74	4
White Eagle Oil	..	..	..	..	34	20	31¾	25⅛	27	2
White Motors	..	..	60	30	86	29⅛	104½	57⅛	87	4
Willys-Overland	*75	*50	*325	15	40¼	4½	34⅞	9⅛	28⅝	..
Do. Pfd.	..	..	100	69	98¼	23	115	72¼	114	7
Wilson & Co.	..	..	84⅛	42	104⅞	4½	13¾	5⅛	†5	..
Woolworth (F. W.) Co.	*177⅞	*76½	*151	*81½	*345	72¼	220	112¼	197½	3
Worthington Pump	..	..	69	23½	117	19⅞	79¾	35¼	42¾	..
Do. Pfd. A	..	..	100	85⅞	98⅛	65	88	76	77½	7
Do. Pfd. B	..	..	78⅜	50	81	53½	76½	58	62¾	6
Youngstown Sh. & Tube	..	..	..	..	80	59¾	92½	63	86½	4

* Old stock. † Bid price given where no sales made. ‡ Not including extras. § Payable in stock. ¶ Partly stock. a Paid this year.

ANSWERS TO INQUIRIES

(Continued from page 146)

and confectioners to an extent that they show little inclination to persist in the use of glucose. While the large corn crop in prospect will go far toward offsetting the low price of sugar, a considerable increase in volume of business must occur to effect a profitable balance. We believe Corn Products shares to have speculative possibilities of a long range character, but unless you are willing to exercise considerable patience we would suggest employing your funds elsewhere. A switch to Loews, Inc., is suggested. The earnings of this company have shown an upward trend which influences us to believe the dividend possibilities of the shares have not as yet been discounted.

NORFOLK & WESTERN

What is the reason for the advance in Norfolk & Western? I have 20 shares which cost me 104 and 10 which I bought recently for 128. Is the company affected badly by the coal strike? I am rather hazy about the coal situation—just what roads are most affected and which are benefited as a result of the shortage of anthracite coal.—D. L., New York City.

The strength noted in Norfolk & Western shares is probably a direct reflection of the mounting earnings of the company. Earnings for nine months were at the rate of $17.25 per annum on the common, which is considerably in excess of previous estimates. Norfolk & Western is making records in many traffic departments as well as reducing its operating ratio. As a soft coal road, Norfolk, far from being adversely affected, stands to benefit from the present mine trouble. The difficulty in procuring anthracite has resulted in an increased demand for bituminous, to the decided profit of this as well as other soft coal haulers. The movement over this road is unusually heavy and bids fair to continue for quite some time. Only those roads active in the production and transportation of anthracite stand to suffer from the present labor difficulties. Aside from an earnings standpoint, Norfolk appears to advantage because of its extensive coal holdings. It is not unreasonable to assume that in the course of time these properties will be segregated on a basis favorable to shareholders. Taken all in all, Norfolk & Western shares have much to commend them.

CERRO DE PASCO

Several years ago I bought Cerro de Pasco; I think I paid 39 for it. Several times I was about to get rid of it but you advised me to hold on. What do you say now, with the stock selling at 65?—O. U., Augusta, Me.

The situation in regard to Cerro de Pasco remains relatively unchanged. This, in our opinion, constitutes one of the more attractive copper issues. The company controls a rich property and is a low cost producer. With production at normal, and with the benefit of

fair metal prices, the company can make a very handsome showing. In the past its operations have been somewhat hampered by the effects of smelter fumes upon vegetation in the vicinity, but its difficulties in this direction have been largely overcome and a much better showing can be expected in the future. Due to the fact that a large part of Cerro's output comes from purchased ores it is difficult to estimate the earnings of the company, but taking increased activities into consideration it is not unreasonable to assume that it will better the $6.25 per share earned in 1924. Giving due consideration to all factors affecting this company, and bearing in mind the optimistic metal outlook, Cerro shares appear genuinely attractive holdings.

GRANBY

With Granby producing more copper than it did a year ago in both the second and third quarters—and I notice that the cost of making copper has decreased—I feel that the stock of the company should advance. I have some stock—70 shares—averaging me $18 a share. Would you advise me to increase my shareholdings to 100 shares by buying 30 more around the present price?—L. M., Jersey City, N. J.

One of the outstanding surprises in the mining field in recent months has been the decided upturn in the affairs of Granby. Production costs have been steadily reduced, now standing around 10.04 cents a pound, with a further substantial reduction clearly in prospect. Added to this, the company has greatly increased its output. With the whipping into shape of its important Allenby property it is safe to predict that Granby will make a better showing than heretofore. As matters stand today, the company appears in a fair way to emerge from the rut in which it has traveled in recent years. Obviously. anything further in the way of lower production costs and increased output will go far toward brightening the situation. In response to these developments, speculative interest is manifest in the stock and it is not unlikely to sell higher in the course of time. We believe it would be advisable to retain your stock although we see no particular incentive to increase your holdings.

AMERICAN SUGAR REFINING

What is the outlook for American Sugar? I have watched the price of sugar drop steadily during the period when my stock has advanced from 48 to above 70. I have seen nothing in the news that would explain the advance but possibly you can give me the reason.—D. G., Newark, N. J.

The present bull market has given place to many unusual situations not the least of which has been the spectacle of American Sugar shares seeking high levels while most sugar stocks have struggled in the depths. However, the explanation is simple. The endeavors of American Sugar are mainly centered in the refining end of the business and consequently it does not appear in the disadvantageous light of the sugar producers. An examination into its history reveals the fact that it is able to operate on a very satisfactory basis during periods of low raw

sugar prices. The present is no exception. American Sugar is doing very well and although its profits are not such as would warrant enthusiasm, nevertheless, it is holding its own. It is well situated financially, the sale of the greater part of its beet sugar holdings having enabled the company to place its financial house in order. The stock is now on a dividend basis and the outlook for the company is brighter than it has been for some time. The shares are not unattractive from the speculative viewpoint.

ASSOCIATED DRY GOODS

Do you think I am wise in continuing to hold Associated Dry Goods which cost me 53 early this year? There was considerable talk about a stock dividend but I suppose it has been abandoned as I have seen nothing about it in the papers recently.—M. T., Louisville, Ky.

As a long pull proposition, Associated Dry Goods is not without speculative merit, but we do not consider the stock particularly attractive at these levels. The favorable features of the situation are that the company has enjoyed a prosperous season to date, wherein earnings are estimated to be running around $5.50 on the common stock. It is entirely probable that if earnings continue as expected, some action will be taken in regard to the stock dividend previously discussed. This will doubtless bear fruit in the spring. On the other hand, the stock is selling on a rather low-yield basis, and it is apparent that much of the favorable features of the situation, including the possible stock dividend, are more or less discounted. Held over a period of time, say a number of years, results of a favorable nature will probably eventuate, but just now we feel that better opportunities lie elsewhere. A switch into General American Tank Car, selling around the same levels and paying a higher dividend, is suggested.

HERCULES POWDER

I assume industrial and building activities as well as mining operations largely explain the advance in Hercules Powder. Do you think the company is likely to declare an unusually attractive dividend out of the better earnings of this year as compared with last year?—B. N., Bronx, N. Y. C.

As you say, the substantial building and industrial booms enjoyed throughout the country, together with increased mining activities now being carried on have been of material benefit to Hercules Powder. As a consequence, the company has been able to show $12.37 per share earned on the common in nine months, against $6.77 in the same period of 1924. With trade conditions holding up very well, there is every expectation of Hercules continuing at its present pace for quite some time. In view of these circumstances, stockholders are justified in looking for something in the way of a dividend increase or an extra disbursement. These favorable internal developments have been reflected in a considerable advance in the market valuation of the shares, but considering the prospects of the company we would say that their entire possibilities have not as yet been exhausted.

MARLAND OIL

(Continued from page 144)

believed to exist, the Mexican properties are carried at a purely nominal value on the books of the parent company which stands firmly on its own feet as an important producing, refining and marketing company in the Mid-continent district.

As a producer and marketer of petroleum, Marland has increased both its production and income this year to an extent that exceeds any other similarly situated company. This phenominal expansion has been due to a great degree to the characteristic foresight of the management in creating an outlet to tidewater for the Mid-continent district. The Mid-continent found it unprofitable to compete with the West Coast producers during the flush production in the California fields. Petroleum products that were not consumed in the Middle West section were placed in storage. However, there is a natural limit to storage above ground and with the approach to this limit an outlet to the eastern seaboard became highly essential. At this time, Marland Oil acquired a loading station at Texas City on the Gulf of Mexico with facilities to load three tankers simultaneously and a tank farm capable of storing 645,000 barrels. It was found that the railroads were anxious to encourage this new transportation scheme and the Mid-continent was provided with a rail-water route to the Eastern seaboard with a rate advantage over the all-water transportation from California. Through its loading station, Marland became the oil merchant of the Mid-continent field, buying surplus production and selling to the Standard Oil companies in the east at the rate of 25,000,000 barrels a year.

Conclusion

This advantage enabled the company to strengthen its financial position very substantially. At the start of the year it had 6 million barrels of oil in storage, most of which was purchased at low prevailing prices in 1924. During the first nine months of 1925 Marland reduced its storage oil to about 2,000,000 barrels. In addition to the cash proceeds from oil sales, 13 millions were obtained from the sale of treasury stock to J. P. Morgan & Co. This large cash account was devoted principally to wiping out the outstanding debts, including retirement of 20 millions notes a year before their maturity. As of September 30, working capital position was unusually strong with almost 30 million current assets against current liabilities of about 3 millions.

The consolidated income account for the first nine months of the year showed a net income of 13.7 millions or $6.87 a share on the common stock. In the same period of 1924, net income was

1.6 millions. Estimates for the full year which take into consideration an expansion of production to a daily average of 50,000 barrels through 140 new wells in proven underground reserves, are about $10 a share. At the present market prices of slightly above $50 a share, the indicated current earnings are approximately 20% on the stock market valuation. *From the standpoint of both settled earning capacity at present and the vast possibilities from Mexican operations for the future, Marland Oil is an attractive spec-vestment. Dividend increases are warranted on the current rate of earnings and expectancy of further price enhancement is entirely reasonable.*

HINTS FROM WASHINGTON

(*Continued from page* 118)

TALKING about applying mind to government, it has been recently asserted that Dr. Moulton of the Institute of Economic cost the government of the United States more than any other man in history, by applying his mind to the French war loan. Just before M. Caillaux and his debt mission arrived, Dr. Moulton issued a monograph that demonstrated that France's capacity to pay was strictly limited by insuperable facts. The Institute of Economics is a Carnegie endowment that seeks to provide our public men with something besides guess or prejudice on which to act. What are the facts? it asks of every great public economic question. Then it gets them. Working side by side with it is the Institute of government. Any statesman who feels like working at his job can go around to 26 Jackson Place, Washington, and get political economy and political science applied. The man from Alaska says we are ruled by a plutocracy, but the "professors" seem to be having something to say about it, too.

* * * *

THE drive originating in the east, which claims to pay most of the federal taxes, against further tapping of the federal treasury for aid to highways, angers western congressmen. They want to know whether New York really thinks it actually pays most of the taxes because they are collected there.

* * * *

AS this is written, the Italian debt has been settled on most mild terms. Our statesmen feel pleased with the results, for in their hearts they do not favor harsh terms. Perhaps the way will now be opened for renewal of the recently suspended negotiations with France.

FOR FEATURE ARTICLES TO APPEAR IN THE NEXT ISSUE SEE PAGE 131

AFTER THE CLOSING

(*Continued from page* 112)

Ticker been a few years older he would have realized what a terrible slip he had made. For all the older members regarded the radio with that jealous hatred with which an older generation always feels toward an invention which threatens to upset the existing order of things.

The Bull was the first to recover. "Gentlemen," he rumbled hurriedly, "The end of the Magic Hour draws nigh. All are apparently agreed that the present system is lamentably inadequate to cope with the task set for it. With your permission, then, I should like to offer a resolution. Will you be good enough, Mr. News Ticker, to take it down?"

The Bull at one time had graced the walls of the offices of a famous law firm and he prided himself upon his knowledge of legal phraseology. Clearing his throat portentously he began,

Whereas, In the course of Divine and human events these United States have become not only the world's treasure house, but the greatest industrial and financial nation on earth and,

Whereas, The present volume of financial transactions now taking place is the greatest in all financial history and,

Whereas, The present unprecedented financial era appears to be but a predecessor to even more important and greater financial activity and,

Whereas, The present market reporting facilities were never designed to carry the tremendous burdens which they are now called upon to support and,

Whereas, Such burdens are the occasion of extreme mental anguish, physical suffering, ridicule, contempt and contumely to the said registrars of said financial transactions, therefore,

Be it, and it hereby duly is, resolved, acknowledgment of which is hereby made,* That the attention of the directing authorities be called to the present situation and,

Be it further resolved from now until the end of time, That the directing authorities are hereby required, prayed and otherwise requested to grant such easement to the present intolerable situation as the circumstances urgently demand and, in their final judgment, the situation merits, and,

Be it further resolved, That this resolution be spread upon the minute books of the Association and a prop-

erly engrossed copy delivered to said directing authorities.

Signed and sealed this 1st day of November in the year of Our Lord, 1925, by and in the presence of the following:

Rampant Asa Bull
Rabid Bear
W. U. Clock
Stock E. Ticker
D. News Ticker
Curb M. Ticker
A. Bond Ticker

All members in good standing of the Clark & Cooper Mutual & Benevolent Association.

Witness: Benvenuto Cellini Cat.

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*Time had not improved the Bull's legal recollections.

"Indeed a masterly resolution," purred the cat rolling his agate eyes admiringly, "In substance it compares with the best orations of Daniel Webster and I venture to say that the Chief Justice of the United States could not improve upon its form."

Modestly, as became the author of so momentous a document, the Bull put the motion. It was carried unanimously, Benvenuto Cellini not voting.

At almost the same moment the Western Union Clock announced that the Magic Hour was at an end. In a trice the office relapsed into silence.

Yawning, the cat leaped lightly down from the Ticker's lap and curled himself sleepily by a promising mouse hole. A semblance of a smile trembled under his long whiskers.

Had you glanced at the News Ticker the next morning, doubtless you would have seen the Bull's resolution fully inscribed. I was too busy to look.

Important Corporation Meetings

Company	Specification	Date of Meeting
International Shoe	Directors	11-24
Standard Oil of N. J.	Special	11-24
Texas Gulf Sulphur	Annual	11-24
Worthington Pump	Pfd. Div.	11-24
American Tobacco	Pfd. Div.	11-25
Gen. Railway Signal	Pfd. & Com. Divs.	11-25
Gt. Western Sugar	Pfd. & Com. Divs.	11-25
Liggett & Myers	Pfd. Div.	11-25
Montana Power	Pfd. & Com. Divs.	11-25
So. Porto Rico Sugar	Pfd. & Com. Divs.	11-25
Baldwin Loco.	Pfd. & Com. Divs.	11-27
Consol. Gas N. Y.	Pfd. Div.	11-27
General Electric	Directors	11-27
Mathieson Alkali Works	Pfd. Div.	11-27
Maxwell Motor	Pfd. Div.	11-27
Indian Motocycle	Annual	11-28
American Bank Note	Special	12-1
American Express	Dividend	12-1
Associated Oil Co.	Dividend	12-1
Atchison, Top. & Santa Fe	Pfd. Div.	12-1
Intertype	1st Pfd. & 2d Pfd. Divs.	12-1
Kresge (S. S.)	Directors	12-1
Mack Trucks	1st Pfd. & 2d Pfd. Divs	12-1
Manhattan Elect. Supply	Dividend	12-1
Helme, G. W.	Pfd. & Com. Divs.	12-2
Lehigh Valley R. R.	Pfd. & Com. Divs.	12-2
Lorillard, P.	Pfd. & Com. Divs.	12-2
Pere Marquette Ry.	Prior Pfd., Pfd. & Com. Divs.	12-2
St. Louis-San Francisco	Directors	12-2
Amer. Steel Foundries	Directors	12-2
Penney, J. C.	Pfd. Div.	12-3
Reynolds Tobacco	Pfd. & Com. Divs.	12-3
Allis-Chalmers	Pfd. Div.	12-4

WHAT IS BACK OF TODAY'S HUGE PUBLIC UTILITY MERGERS?

(Continued from page 127)

osition to erect a power and light plant in the center of any given territory in which the population is fairly well massed. Use of electricity by farms in less congested territory is still practically a virgin field. The Department of Agriculture, the Farm Bureau Federation and agricultural colleges are cooperating on plans for extensive use of electricity on farms. The first step in use of electricity by farms is naturally for lighting. The next step is education of the farmer in its use for washing machines, electrical irons and other devices. But by far the greatest field is the adaptation of farming machinery to electric drive where energy is available in remote farming territory which would do much to bring down cost of farming by displacing the horse.

How can electricity be delivered cheaply to farming territory? Transmission lines are expensive and only extended where it is reasonably certain that they can be made to pay for their installation if not from the beginning at least within a short time. The solution of this problem is not the erection of large central plants in what is now poor operating territory. This would be too expensive. The answer to the problem and one on which much work is being done, is the establishment of a web of transmission lines between centers of population which would run through intervening farming territory. Here again, the large holding company plays its important role.

Insull Interests Important

The American Light & Traction Co. was one of the pioneers in the consolidation of properties through holding organizations. The Insull interests of Chicago can also be classed as pioneers and the Middle West Utilities is now one of the largest holding organizations. This company is a development of the idea of bunching a lot of small operating companies under a holding company and then having a series of holding companies in the different territories controlled by a larger holding company. The statement was made only recently that the Insull companies so constituted served communities which had on an average less than 2,000 population. Hundreds of towns throughout the middle West grouped under the wing of the larger holding company are now receiving service which they could not have hoped to obtain otherwise. And they are receiving service 24 hours out of the day while the municipal plant which operated few hours in the night and discontinued at midnight is only of recent memory.

Incidently, the invasion of eastern

territory by the Insull interests has been a development which has been watched closely by public utility operators. Through grouping of a number of smaller companies in New England, under New England Public Service Co., the Insull interests have obtained a firm foothold in eastern territory. There are those in the field who see in this action, a hasty consummation of negotiations to link up the New England Power Corp. properties with those of Power Corporation of New York and several other interests in New York state.

When the deal is consummated, which there is every indication it will be within a few weeks, it will mean that practically all the important utilities in New York state above Albany and west will be linked together under the same interests with the New England Power Corp. group. The invasion of eastern territory no doubt has done much toward linking up the different interests involved.

Some Consolidations Must Be Scrutinized

To give unqualified endorsement to the so-called holding company would be foolhardy and there is no intent to do so. For many years there have been certain well defined groups of utility operators and many others have been added which have been successful. But their success, as in any other line of endeavor, has brought into the field men of less experienced calibre and investment in any public utility holding company should be closely scrutinized. There have been several large consolidations completed recently and which are known in the field as "weak sisters." Properties have been purchased by less experienced operators and put into consolidations at prices not justified and which will never be justified. Split-ups of stocks and issuance of stocks of no par value all do much to confuse. The most simple way to ascertain the earning power of a holding company is to obtain earnings of its various subsidiary companies since the ending of the war and apply that to present capitalization of the parent organization after allowance has been made for fixed charges and minority stock interests in the operating companies.

Undoubtedly the stronger holding companies with management of experience have many years of profitable expansion ahead of them. But there can be no doubt there are many weak companies in current mergers. In other instances, the stock market has done much to discount and has more than discounted in many instances any possible favorable developments.

For Feature Articles to Appear in the Next Issue—See Page 131

Bank and Insurance Stocks

Quotations as of Recent Date

National Banks:

	Bid	Asked
American-Pacific Ex. (16)	475	485
Chase (20A)	579	586
Chatham & Phenix (16)	372	380
Chemical (24)	720	735
City (20A)	605	615
Commerce (16)	383	390
First (N. Y.) (100A)	2910	2950
Hanover (24)	1100	1135
Mechanics & Metals (20)	427	435
Park (24)	525	535
Public (16)	610	620
Seaboard (16)	680	...

Trust Companies:

	Bid	Asked
Bankers (20)	590	600
Bank of N. Y. & Trust Co. (21)	635	655
Brooklyn (30)	880	900
Central Union (28)	890	905
Empire (16)	350	355
Equitable (12)	315	321
Farmer's L. & T. (16)	577	585
Guaranty (12)	384	387
Irving-Columbia (14)	327	332
Manufacturers (17)	520	525
New York (20)	528	533
United States (60)	1860	1900

State Banks (New York):

	Bid	Asked
America (12)	308	315
Corn Exchange (20)	570	585
Manhattan Co. (8C)	231	238
State (16)	650	...
United States (10)	297	305

Insurance Companies:

	Bid	Asked
Aetna Fire (24)	705	720
Carolina (1)	36	38
Continental (6)	127	130
Fidelity-Phenix (6)	171	175
Glens Falls (1.60)	38	40
Globe & Rutgers (24)	1500	1600
Great American (16)	290	295
Hanover (5)	188	195
Hartford Fire (20)	655	665
Home (18)	355	360
Milwaukee Mech. (2.20)	48	53
National Fire (20)	760	770
Niagara (10)	250	260
North River (4)	114	117
Stuyvesant (6)	217	223
Travelers (20E)	1400	1415
United States (4.80)	138	142
Westchester (2.50)	43	45

Casualty and Indemnity Companies:

	Bid	Asked
American Surety (6.50)	175	185
National Surety (9)	218	225
U. S. Casualty (10)	345	355
U. S. Fid. & Guar. (9)	209	214

Joint Stock Land Banks:

	Bid	Asked
Bankers of Milwaukee (10)	175	185
Chicago (10)	180	188
Dallas (10)	172	177
Denver (8)	140	145
Des Moines (9)	152	158
First Carolinas (8)	133	138
Kansas City (10)	180	186
Lincoln (9)	160	168
St. Louis (8)	160	165
Southern Minnesota (10)	166	172
Virginian (.50B)	9	10

(A) Includes dividends from Securities Company. (B) Par $5. (C) Par $50. (E) Ex-rights.

BANK and trust company stocks have continued their characteristic market showing of many advances and practically no recessions. Their undoubted popularity is leading to a shortage of offerings. This is especially the case in such bank stocks where the capitalization is small. Only where a split-up has already taken place is the market moving freely. In some of the smaller banks, where control is close, steady bidding up has failed to bring out any important volume of offerings.

There can be little question that much of this popularity is due to two factors. The first is concerned with the rather remarkable returns in the past to investors in these stocks. The second is the belief that many great consolidations are imminent and that such consolidations are usually accompanied by a considerable profit. It seems to be demonstrated that when an intelligently planned merger goes through, the earnings of the combined banks exceed the earnings of the previously separate banks taken together.

Another feature of bank stocks which investors have begun to appreciate is the difference between profits ploughed back into the property in the case of industries and of banks. Whereas such gains in the industrial field may or may not be salable at cost to some other persons, bank assets are always salable at at least their face value. In other words, money is a universal measure of value and is not to be judged in the same way as property that has special and limited uses. Hence, while gains in asset value in industrial companies are often illusory, in the sense that their liquidation value may not equal their book values, in the case of banks gains in earnings assets are real and valuable.

The experience of the London banks is being looked into by men who are closely watching the New York bank situation. New York has, in some respects, replaced London as a banking center. Although the British Treasury has recently lifted the ban on foreign investments, no one expects that New York's primacy will be assailed in an important degree. When London definitely assumed her position as a world

financial center, a wave of consolidations set in, which has reduced the great London banks to five. There were over fifty in London a generation ago. It is felt that New York must repeat this history. Many little banks in New York are survivals of local neighborhood banks, organized for local purposes. While there will always be a field for this type of banking, a metropolitan banking center must be organized on the basis of world requirements, and not of outworn traditions. This trend to consolidations will, undoubtedly, be the feature of the next few years.

Important Dividend Announcements

Note.—To obtain a dividend directly from the company the stockholder must have his stock transferred to his name before the date of the closing of the company's books.

Ann'l Rate		Amount Declared		Stock Record	Payable
$3	Advance-Rum. pf....	$0.75	Q	12-15	1-2
$7	Am. Beet Sugar pf..	$1.75	Q	12-12	1-2
$2	Am. Chain Cl. A....	$0.50	Q	12-21	12-31
$7	Am. Chicle 7% pf...	$1.75	Q	12-15	1-1
$6	Am. Chicle pr. pf...	$1.50	Q	12-15	1-1
7%	Am. Linseed pf.....	1¾%	Q	12-20	1-2
—	Am. Loco. cm.......	$2.50	EXT	12-14	12-31
$4	Am. Metal cm......	$1.00	Q	11-20	12-1
$7	Am. Metal pf......	1.75	Q	11-21	12-1
$4	Am. Radiator cm....	$1.00	Q	12-15	12-31
7%	Artloom pf.	1¾%	Q	11-20	12-1
—	Beech-Nut cm.	$0.60	EXT	11-25	12-10
—	B'klyn-Union Gas ...	$7.00	EXT	12-21	1-11
—	Butte Cop. & Zinc..	$0.50	—	12-9	12-24
$6	Cal. Packing	$1.50	Q	11-30	12-15
$7	Cent. Ribbon Mills pf.	$1.75	Q	11-20	12-1
4%	Chic. No. West. Ry.	2%	SA	12-1	12-31
7%	Chic. No. West pf..	3½%	SA	12-1	12-31
—	Childs Co. cm.......	1%	STK	11-28	12-30
$2.40	Childs Co. cm.......	$0.60	Q	11-28	12-10
$7	Childs Co. pf........	$1.75	Q	11-28	12-10
$2½	Chile Copper	$0.625	Q	12-2	12-28
$8	Chrysler pf.	$2.00	Q	12-15	1-2
$7	Coca-Cola cm.	$1.75	Q	12-15	12-31
$7	Coca-Cola pf.	$3.50	SA	12-15	12-31
$9	Del. & Hudson	$2.25	Q	11-28	12-21
8%	Diamond Match	2%	Q	11-30	12-15
$2.40	Fair, The, cm......	$0.20	M	11-20	12-1
$8	Famous Players	$2.00	Q	12-15	1-2
$0.80	Fed. Lt. & Trac. cm.	$0.20	Q	12-15	1-2
Stock	Fed. Lt. & Trac. cm.	1%	Q	12-15	1-2
$7	Gen. Cigar pf.......	$1.75	Q	11-23	12-1
$7	Goodrich pf	$1.75	Q	12-15	1-2
$8	Goodyear pr. pf.....	$2.00	Q	12-15	1-1
$7	Goodyear pf.	$1.75	Q	12-1	1-1
$6	Gulf States St'l 1st.	$1.50	Q	12-15	1-3
—	Hayes Wheel cm....	$0.25	EXT	11-30	12-15
$3	Hayes Wheel cm....	$0.75	Q	11-30	12-15
$7½	Hayes Wheel pf....	$1.875	Q	11-30	12-15
$6	Homestake Mng.	$0.50	M	11-20	11-25
$7	Inland Steel pf......	$1.75	Q	12-15	1-1
$4	Kinney (G. R.) cm..	$1.00	Q	12-21	1-1
$8	Kinney (G. R.) pf..	$2.00	Q	11-21	12-1
7%	May Dept. pf.......	1¾%	Q	12-15	1-2
7%	Nat. Clk. & Suit pf.	1¾%	Q	11-24	12-1
$7	New Or. Tex. & Mex.	$1.75	Q	11-30	12-1
$4	N. Y. Air Brake "A",	$1.00	Q	12-2	1-5
$7	Norf. & Western....	$1.75	Q	11-30	12-19
—	Norf. & Western	$1.00	EXT	11-30	12-19
$1.80	Orph. Circuit	$0.15	M	11-20	12-1
$7	Reid Ice Cream pf..	$1.75	Q	11-20	12-1
—	St. Joseph Lead.....	$1.00	EXT	12-9	12-21
$2	St. Joseph Lead.....	$0.50	Q	12-9	12-21
$6	Sloss-Sheffield cm. ..	$1.50	Q	12-10	12-21
$7	Sloss-Sheffield pf. ...	$1.75	Q	12-21	1-2
$5	Stand. Mill. cm.....	$1.25	Q	11-20	11-30
$6	Stand. Mill. pf......	$1.50	Q	11-20	11-30
$1.40	Std. Oil of N. Y....	$0.35	Q	11-20	12-15
$3.00	Timken Roller	$0.75	Q	11-20	12-5
—	Timken Roller	$0.25	EXT	11-20	12-5
$3	U. S. Hoff. Mch. cm	$0.75	Q	11-20	12-1
$7	U. S. H. Mach. pf..	$1.75	Q	11-20	12-1
$5	U. S. Steel cm......	$1.25	Q	11-27	12-30
—	U. S. Steel cm......	$0.50	EXT	11-27	12-30
$4	Weber & Heil. cm..	$1.00	Q	12-15	12-30
$4	White Motor	$1.00	Q	12-15	12-30
$3	Wrigley, Wm., Jr....	$0.25	M	11-20	12-1

State and Municipal Bonds

Suitable for Bank Investments

HIGHER-GRADE MUNICIPALS

	Rate	Maturity	Approximate Yield
Michigan	4	July, 1944	4.10%
Oregon	4½	April, 1937	4.30
California	4¼	July, 1957	4.20
Illinois	4	May, 1941	4.15
North Dakota	5¼	January, 1949	4.60
Missouri	4¼	March, 1936	4.20
West Virginia	4	January, 1950	4.15
Minnesota	4¼	February, 1944	4.15
Milwaukee, Wis.	5	July, 1937-8	4.20
Cleveland, Ohio	4¼	March, 1939	4.25
San Francisco, Calif.	4½	July, 1941	4.40
Camden, N. J.	4¼	Sept., 1952-62	4.20
Youngstown, Ohio	5¼	October, 1932	4.30
Baltimore, Md. ....Reg.	4	October, 1940	4.10
Buffalo, N. Y.	4	June, 1957	4.10
Los Angeles, Calif.	5	1942-5-51	4.50
Detroit, Mich.	4½	1938-54	4.25
San Diego, Calif.	5	1931-66	4.50
Denver, Colo.	4½	1940-45	4.20
New Haven, Conn.	4¼	1940	4.15
Chicago, Ill.	4	1937-9	4.15
Louisville, Ky.	4	July, 1937	4.00
Portland, Me.	4	1936	4.00
Grand Rapids, Mich.	5	1926-34	4.20
Minneapolis, Minn.	4	January, 1935	4.20
St. Paul, Minn.	4¼	July, 1954	4.15
Bayonne, N. J.	4½	January, 1933	4.25
Paterson, N. J.	4½	February, 1945	4.25
Trenton, N. J.	4	1939	4.20
New York, N. Y.	4½	June, 1965	4.15
Providence, R. I.	4	July, 1956	4.00
Pawtucket, R. I.	4½	1950	4.20
Chelsea, Mass.	4	1936	4.00
San Antonio, Texas	5	1931-59	4.40

Average Yield, 4.21%

All of the bonds listed are legal for savings banks investments in the three states of New York, Connecticut and Massacusetts.. All three have extremely rigorous standards with reference to State and Municipal bonds, but it appears that their standards differ, and it has been found that the combined requirements of the three states ensure the utmost in safety. No town with less than 25,000 inhabitants has its bonds represented, because, as a rule, their marketability is inferior. Every effort has been made to exclude bonds subject to local taxation. This list will be revised constantly, on the basis of yield. It is felt that the yields obtainable are as high as possible in view of the strict requirements. The market for municipals has remained static during the last month.

GYRATIONS OF GENERAL RAILWAY SIGNAL

(*Continued from page* 113)

rose to 300, and within another two weeks it touched 360.

During this interval of nearly a month before the New York Central contract was closed and the public announcement thereof made, General Railway Signal stock was being steadily absorbed at a rising scale of prices so that when the announcement did come along the demand for the stock was such as to skyrocket its price. Insiders claim that the public ran away with the stock.

Naturally, the Sprague interests who had spent all this money in demonstrating their equipment, were amazed that the New York Central should conclude such a contract on a different class of equipment than was being tested out, but which could also have been supplied by the Sprague Company, without the latter having been given any opportunity to make a competitive bid. As a result, the Sprague Safety Control & Signal Corp. filed a complaint with the Interstate Commerce Commission on October 23d last.

General Railway Signal stock as it now stands has 325,000 shares of stock listed on the New York Stock Exchange, and no bonds, these having been converted into stock. At a price of 80 the total outstanding stock has a market value of $26,000,000, compared to 40,672 shares at $100 per share before the bonds were converted, these shares having a market value seven months ago of $4,067,200, or, allowing for the conversion of the bonds, $6,067,200. Apparently all that has happened in the meantime is this contract with the New York Central which has been called into question by the Interstate Commerce Commission which has the power to say whether or not this equipment shall be purchased and installed.

But we are not attempting to try the case out in this magazine.

In order to be perfectly fair we will say that interests identified with the company's affairs claim that when the December 1st hearing is completed all the questions which have been raised will be satisfactorily answered by the General Railway Signal Co.; that the rise in the stock which has already oc-

urred does not begin to measure its possibilities; that within the next year the earning power of the company will be at the rate of $12 a share on the present outstanding stock; that dividends of $4 a share are likely within the very near future. This does not ake into account any additional contracts with other large systems which will form part of the great campaign of railway re-equipment that is anticipated within the next several years. It also does not take into account the company's control of certain new car-retarding equipment which is to be used in the mechanical classification of freight in the yards. This equipment should result in a vast saving not only in time and the expedition of freight, but in the saving of lives of those who are now engaged in hand-signalling in making up freight trains. Larger earnings are expected from the replacement of signalling apparatus which was installed fifteen or twenty years ago and which is now beginning to wear out.

For these reasons those who are well posted on the company's affairs believe that while the stock may be entitled to the reaction which has recently occurred, it should eventually demonstrate the fact that recent high prices, although perhaps premature, did not represent an overvaluation.

As the situation appears, however, we do not see that there would be any error in judgment in taking of profits on a stock which many of our readers bought at one-quarter to one-third of its recent selling price. Considering the possibilities of a $4 dividend in the near future, the stock, which is today selling at 75, appears some 20 points or more too high. Of course, if one wishes to buy it with a view to the possibilities in the industry and in the meantime to run whatever risks are involved in a general reaction of the market, a decline in railroad earnings and a complete change in the situation of the company's affairs, he is free to do so; but in view of the number of other stocks containing at least equal prospects and selling more in line with *present* earning power and probable dividends, we should prefer to await further development before repurchasing.

Note: We originally recommended purchase of General Railway Signal stock at around 100 and continued to recommend it for some time after. We feel that, in any case, after an advance of some 300 points, our readers are entitled to take profits.

New York Curb Market

IMPORTANT ISSUES

Quotations as of Recent Date*

Name and Dividend	1925 Price Range High	Low	Recent Price
Amer. Gas & Elec. (1)†	84¼	68	80
Am. Super Power A (1.50)[2]	41½	26¼	35
Am. Super Power B (1.50)[2]	45	27¾	36¾
Centrif Pipe (1)	29¾	10	28¾
Cities Service new (1½)†	43	35	38½
Cities Service Pfd. (6)	84¼	80¼	84
Cleveland Motors	29½	19½	28¾
Cont. Baking B	42	21¾	27¼
Cont. Baking Pfd. (8)	106½	91½	98¾
Curtiss Aero	24¼	13	24¼
Curtiss Aero Pfd. (5)	84	55	84
Durant Motors	21	10	17
Elec. Bond & Share (1)	91½	55⅛	69
Electric Investors[4]	66¼	40	66
Ford Motor of Can. (10)	690	462	615
Gen. Ice Cream (2)	45	34	42
Gen. Baking A wi	74	60	73
Gen. Baking B wi	20½	16½	16¾
Gillette Safety Razor (3.75)[3]	109¼	57½	98
Glen Alden Coal (7)	145	117	137
Goodyear, T. & R.	49	24½	45¼
Gulf Oil (1½)	81½	63½	81
Happy Can St. A (50c)	9½	6¼	9
Horn & Hardart	70	46	62
Hecla Mining (1)	17½	12¼	17½
Intern Utilities B	17	7	7¾
Kelvinator (1½)	83	18½	81
Lago Pet	7¼	4¼	7¼
Lion Oil Ref	25	18	24½
Miller Rubber new wi	50	41	42
Mountain Prod. (1.9)[3]	23½	18¼	24
Natl. Pr. & Lt. (6)	467	184½	443
New Mex. & Ariz. L.	19¼	6¼	15½
Nipissing (90c)[3]	6¾	4½	5
Nizer Corp. B (1.25)[3]	83	37	81
No. Ohio Pr.	18¾	6	15¼
Pyrene Mfg. (1)	14¼	9¼	10¾
Reo Motor (1.65)[3]	25	15¼	25
Rickenbacker Motor	10½	7¼	8⅜
Salt Creek Prod. (2.35)[3]	28¼	24	28½
Servel A	35	9½	32¾
Southeast Pr. & Lt. new	34½	28	31
So. Dairies A	56	30	44
So. Dairies B	35¼	19	25
Stutz Motors	18½	6	17¾
Sun Oil (1)	46½	33¾	40
Tub Artif. Silk B	270	147	229
Tob. Products Exp	8¾	3	5⅛
Union Carbide (5)	81	65	75¼

STANDARD OIL STOCKS

Name and Dividend	1925 Price Range High	Low	Recent Price
Cont. Oil new (1)	31⅛	22	23⅜
Humble Oil (1.20)	74	42¼	72
International Pet. (50c)	28½	.22	27½
Magnolia Oil (4)[3]	175½	130½	173½
Ohio Oil (2)	75¼	60¼	64½
Prairie O. & Gas new	65½	46	50¼
S. O. of Indiana (2½)	70	59½	64
S. O. of New York (1.40)	48½	40	44½
Vacuum Oil (4)[3]	105	80	102

* Dividends quoted dollars per share, Oct. 26 1925. † Plus extra stock dividend. [2] Payable in Preferred. [3] Partly extra. [4] Without warrants.

FOLLOWING an active market with numerous price advances throughout the Curb list, two panicky sessions started the past week. Weakness first developed among the public utilities, which had led the advance, and spread out generally through the industrial issues. Oils and mining stocks, which had not been very active in the upward move, resisted the wave of selling orders that depressed public utilities and industrials. Selling was attributed mainly to profit taking after the Boston Federal Reserve Bank raised its discount rate, and as soon as it became apparent that the New York bank would not follow suit, for the time being at least, many of the traders were encouraged to buy back their stocks. During the second session of the slump, American Light & Traction lost 11 points in the day. Other weak spots among the utilities were National Power & Light and United Light & Traction. Miller Rubber new stock broke through a thin market to a new low level for the year and failed to show the general tendency of the market to snap back after the decline.

Considerable interest has centered on the proposed merger between *Nizer Corp.* and *Kelvinator*, two of the leading Curb securities in the electrical refrigeration industry which have attracted a wide speculative following through their price advances in the past six weeks. According to a reliable but unofficial source, a new company is to be organized and the leading interests in both companies have agreed to exchange their stock on a share for share basis for the stock of the new company. It is reported that the relatively stronger position of the Nizer stock will be recognized in the terms of the consolidation and that a distribution either in the form of a stock or cash dividend will be declared on the Nizer stock prior to the merger. If and when this basis is finally determined upon, Nizer should sell at a higher figure than Kelvinator in contrast to the approximately equal prices maintained at present. The operating economies to result from this merger, principally in the maintenance of a single sale's organization for the products of both companies, are calculated by the bankers interested in the consolidation to more than double the current rate of net earnings. A new two-cylinder commercial refrigerator is also expected to increase future earnings.

Although Curb prices on the average are about as high as the average security prices on other exchanges, numerous opportunities are available for sound investment. In this class we look favorably on *Standard Oil of Indiana* because of the strong financial condition of the company and its enviable trade position as the leading marketer of petroleum products in the Middle West. *Union Carbide & Carbon* common with unusually steady earnings averaging over $6 a share during the past three years and a strong financial position reflected in net working capital of over 65 millions is also recommended. *Continental Baking* 8% cum. preferred is in an attractive investment position with earnings approximately twice the dividend requirement and followed by about 75 millions market valuation of junior securities.

BUSINESS MAINTAINING ITS GAINS

(Continued from page 152)

pected in other items that have not yet shared in the growing strength. Pig iron, which led the current upturn, is in slightly less active demand but here also the price tendency remains higher. Business in railroad equipment is developing in encouraging fashion. Several roads have entered the market for rolling stock, while orders in the steel rail division are running to considerable volume.

In view of the prospect for large scale production and the general betterment in price levels, steel company earnings statements for the final quarter should show material improvement over the preceding three months.

COPPER

Prices Rise Slightly

Slight but significant price advances have been made effective during the past fortnight. Copper for forward delivery sold at 14⅞ cents with much heavier buying for immediate delivery at 14¾ cents. These advances were followed by another price advance of ¼ cent on all finished products by the American Brass Company, with the single exception of bare copper wire which advanced ⅛ cent. In view of the fact that far more copper is consumed in the manufacture of wire than any other product, the latter advance is probably more profitable to the producers than all of the former.

Buying for export is greater than in previous weeks with the largest orders originating in Germany, France and England. Foreign consumption, however, continues far from satisfactory from the producers' point of view and it is the absence of a normally heavy demand from abroad that prevents sharper price advances.

15-Cent Copper?

Domestic consumption continues steady, according to the American Bureau of Metal Statistics, which reports 194,000 tons consumed in the third quarter, compared with 198,000 in the second quarter and 185,350 in the first. Present factors indicate that 15-cent copper will prevail in the not distant future and the producers can operate profitably at that price.

Until foreign consumption increases, the trade does not look for higher prices than around 15 cents a pound for the metal. Sooner or later, the delayed foreign orders must come into the market. In the meantime, fortunately, domestic sales are holding on a steady and slightly expanding basis.

TEXTILES

Prospect Improved

Weakness in raw cotton has tended to act as a restraining influence upon retail and wholesale trade in the finished goods market. In consequence, the recent trend toward recovery is temporarily halted. Buyers are holding off orders for forward delivery until there are some definite indications of coming stability in the raw material market. Hence, while buying for day to day requirements is fairly active, the situation is somewhat lacking in balance.

From a longer range viewpoint, however, conditions in the cotton manufacturing industry are reasonably good. The decline in cotton has carried that commodity to levels which admit of a better adjustment between material costs and finished goods prices. In fact, the mills are now realizing the best margin of profit in some time, although there is still room for material betterment.

Colder weather has stimulated demand for woolen goods. As in the case of cotton, manufacturing operations in this division of the textile industry are gradually expanding.

Conditions in silk are becoming somewhat mixed. Demand has fallen off to some extent, but this is not surprising in the light of previous extreme activity. The seasonal lull is partly responsible for the less aggressive demand. Manufacturers are still operating at a swift pace, but it would appear that no further marked expansion in production is likely in the near future.

Commodities Section

Wheat—Cotton—Corn

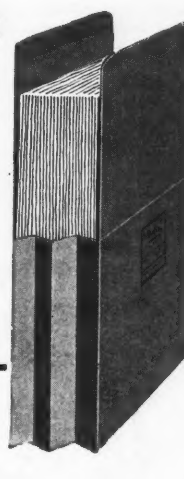
COTTON

WIDE upswings and downswings in the cotton market in the last two weeks have resulted in a puzzling situation. Prior to the latest government estimate there was a week of powerful bullish sentiment. Prices rose $10 a bale. Again the crop forecast was marked up. A day of reaction was followed by a broad upward movement of $8 a bale and this in turn crumbled $1.50 a bale under a rumor that Lancashire mills would face curtailment and that domestic mill consumption had passed its peak.

One constant phase remained, and that is the low average quality of this crop. Alternate rains and cold weather have injured staple and color. As

(Please turn to page 175)

Office Appliance Service Department



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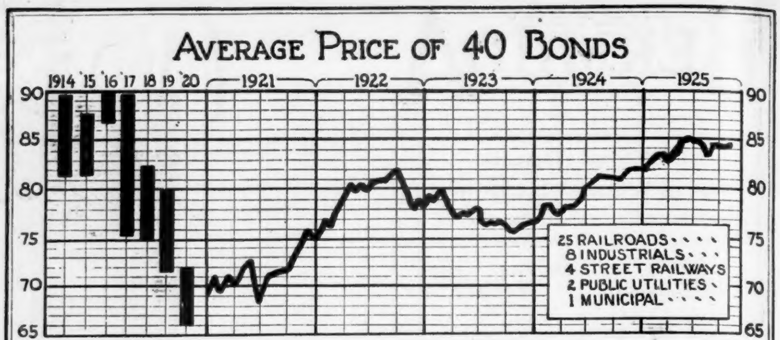
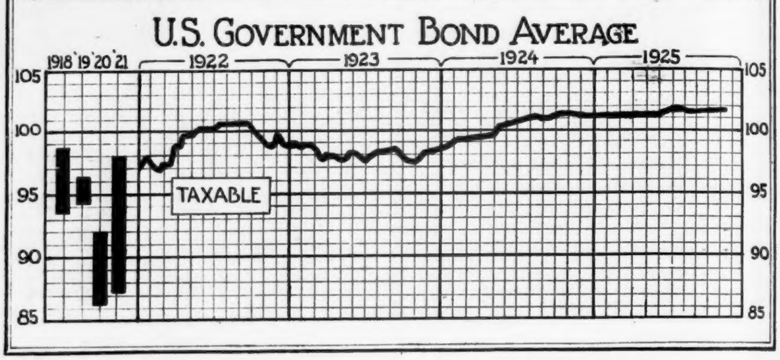
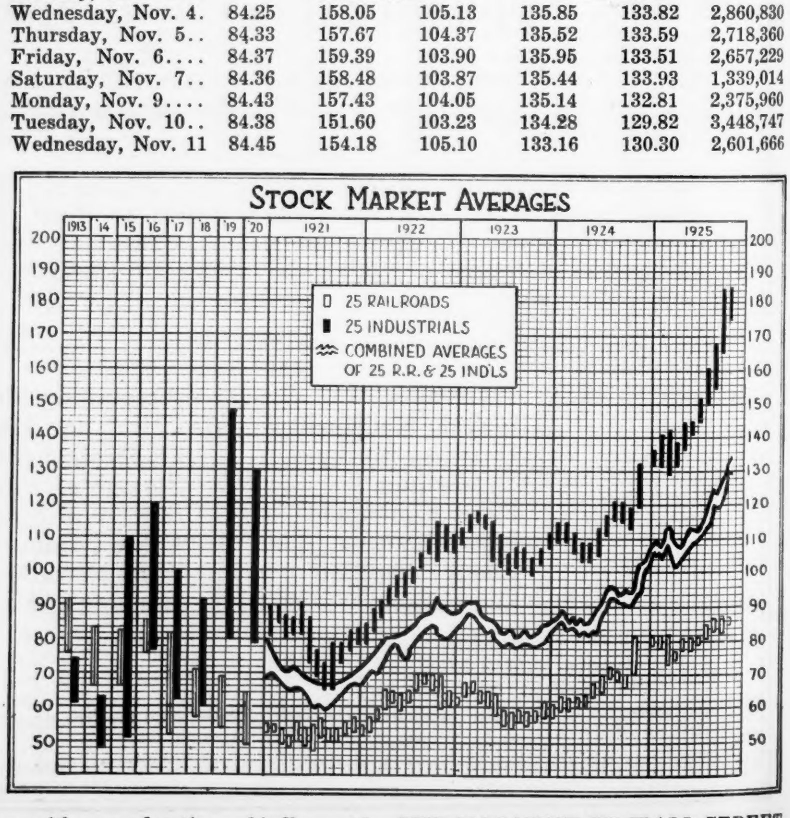
Nov. 21





MARKET STATISTICS

	N.Y.Times 40 Bonds	Dow, Jones Avgs. 20 Indus.	20 Rails	N. Y. Times 50 Stocks High	Low	Sales
Thursday, Oct. 29..	84.12	154.88	104.14	133.61	131.57	2,469,247
Friday, Oct. 30....	84.20	155.65	104.79	133.90	132.20	2,313,159
Saturday, Oct. 31..	84.21	156.52	105.03	134.51	133.17	1,386,305
Monday, Nov. 2....	84.19	157.88	105.19	135.66	133.49	2,729,722
Tuesday, Nov. 3...		HOLIDAY			HOLIDAY	
Wednesday, Nov. 4.	84.25	158.05	105.13	135.85	133.82	2,860,830
Thursday, Nov. 5..	84.33	157.67	104.37	135.52	133.59	2,718,360
Friday, Nov. 6....	84.37	159.39	103.90	135.95	133.51	2,657,229
Saturday, Nov. 7..	84.36	158.48	103.87	135.44	133.93	1,339,014
Monday, Nov. 9....	84.43	157.43	104.05	135.14	132.81	2,375,960
Tuesday, Nov. 10..	84.38	151.60	103.23	134.28	129.82	3,448,747
Wednesday, Nov. 11	84.45	154.18	105.10	133.16	130.30	2,601,666



COMMODITIES DEPARTMENT

(Continued from page 172)

much as 2 million bales may be untenderable. Bales are short weight by about 1%. Mill buying has had to move more cautiously, in accordance with this quality situation. While mill demand is not so dominant, there can be little doubt that, especially in England, mills are awaiting a more stable price before they make extensive commitments.

Short interest had dominated the market until the end of October, but apparently it has covered in the fortnight's upswing. Reduction of this over-extended short interest, coupled with less uncertainty as to ultimate yield, ought to make the market one that is far more stable than has hitherto been seen in this most uncertain of years. Only the ginning returns remain a quandary, as 11 million bales are not up to the crop estimate. When ginning returns are finally appraised, the cotton market will become normal again.

March continues at a slight premium over January and December trails spot by half a cent. Tenderable cotton of good grade commands the immediate market.

WHEAT

Wheat has boomed to a high of $1.53 for December. Buoyancy on this month has carried it far ahead of May, the spread of 7 cents remaining constant. The cocksure short interest with its predictions of the greatest world surplus of all time, has helped considerably towards this increase, as it has had to turn about face. Apart from specific pessimism as to the Argentine, a feeling is widespread that world import surplus will not be exceptional.

Certainly cash wheat has been considerably affected by the small stock at Chicago. As for Canada, with nearly all the threshing done, the crop from the Prairie provinces is now definite.

The bearish interest maintains that Argentine is as expected, and that the present bulge is a compound of natural reaction against overwrought bear sentiment, tremendous short commitments and exaggerated fears as to the surplus.

CORN

Two factors have conspired unfavorably against corn, one, the now demonstrated absence of material export demand, and secondly, the government crop estimate which raised its figures to over three billions. To both indications the market made no response. Only the continued rainy weather has led to fears that late November shipments may not be made as stipulated. Considerable buying has been done by elevator interests.

December at 76 remains slightly stronger than the October quotation. A three-cent premium for May, remains constant.

Over-the-Counter

IMPORTANT ISSUES

Quotations as of Recent Date*

	Bid	Asked
Aeolian Co., pfd. (7)	80	90
Aeolian Weber	34	44
Aeolian Weber, pfd. (7)	103	108
Allied Packers	5	6
Sr. Pfd.	6	9
Pr. Pfd.	40	50
Alpha Port. Cement (6)	143	148
Aluminum Co. of Am.	68	71
Pfd. (6)	98	100
Pfd. Warrants	88	91
American Arch (7P)	119	122
American Book Co. (7)	140	145
Amer. Cyanamid (4P)	150	160
Pfd. (6)	85	88
Amer. Thread, Pfd. (¼)	4	4⅛
Atlas Port. Cement (4)	55	57
Babcock & Wilcox (7)	145	148
Barnhart Bros. & Spindler:		
1st Pfd. (7) G	104	107
2nd Pfd. (7) G	95	100
Bliss (E. W.) Co. (1)	25	27
1st Pfd. (4)	54	60
Cl. B. Pfd. (0.60)	9½	11
Borden Co. (4) (new)	90	93
Pfd. (6)		†
Bucyrus Co. (5)	190	200
Pfd. (7)	104	108
Celluloid Co.	20	25
Pfd. (8)	67	72
Congoleum Co. pfd. (7)	103¼	104¼
Crocker Wheeler	15	20
Pfd.	..	70
Devoe & Raynolds:		
Class B new	58	60
2nd Pfd. (7)	98	100
Eisenlohr (Otto) Bros.	17⅜	17¾
Pfd. (7)	91	95
Franklin Rwy. Sup. (4)	94	96
Gen. Optical pfd. (3½)	20	23
Hale & Kilburn pfd. (½)	18	21
Ide (Geo. P.) & Co., Inc.	5	8
Pfd. (8)	63	68
Jos. Dixon Crucible (8)	160	165
Johns-Manville, Inc. (3)	154	159
Knox Hat	54	58
2nd Pfd.	65	70
Pr. Pfd. (7)	90	95
Lehigh Port. Cement (3)	85	90

	Bid	Asked
McCall Corp.	150	155
Pfd. (7)		††
Manhattan Rubber (2.5)	40	43
Metropolitan Chain Sts.	55	57
1st Pfd. (7)	123	126
2nd Pfd. (7)	122	124
Nat'l Fuel Gas (6)	119	122
New Jersey Zinc (8P)	205	208
Niles-Bemont-Pond	30	33
Pfd.	..	70
Phelps Dodge Corp'n (4)	130	136
Pierce, But. & P'ce (8)	130	140
Pfd. (8)	98	102
Poole Eng'g (Md.)		
Class A	11	14
Class B	10	13
Richmond Radiator (new)	18	20
Pfd. (3) (new)	37	41
Royal Bak'g Powder (8)	180	195
Pfd. (6)	100	102
Safety Car H. & L. (8)	120	123
Savannah Sugar (6)	135	140
Pfd. (7)	115	118
Servel Corp. B	58	63
Sheffield Farms (6)	400	..
Pfd. (6)	101	105
Singer Mfg. Co. (10P)	340	360
Singer, Ltd. (¼)	8½	9½
Superheater Co. (6)	145	148
Technicolor, Inc.	6¾	7¾
Thompson-Starrett (6)	110	..
Pfd. (8)	99	..
Victor Talking Mach.	103	105
White R'k 2d Pfd. (6P)	160	200
1st Pfd. (7)	99	104
Woodward Iron	72	77
Pfd.	§82	§90

*Dividend rates in dollars per share designated in parentheses.

†Entire issue called for redemption on Dec. 15 @ 110.

††Called for redemption @ 115 Jan. 2, 1926.

§Nominal.

G—Guaranteed as to principal and dividend by Amer. Type Founders.

P—Plus extras.

OVER-THE-COUNTER stocks gave a forceful demonstration of independence from the ordinary speculative influence. Unlisted securities held impressively firm while stocks on the "Big Board" suffered a severe break. Gains previously made were maintained with unimportant exceptions. A number of issues advanced in recognition of favorable developments.

McCall common rose easily to a record high, following official announcement that the first preferred stock is to be retired at $115 a share on January 2, 1926. This step reflects the steady and consistent improvement in McCall's financial status and earning power. There are 12,060 shares of the senior security outstanding. Holders have the right to exchange their stock, share for share, for common, to and including December 3, 1925.

While this department has recommended McCall frequently at lower prices during the past several months, it continues to regard the common shares as a desirable long pull holding. Elimination of the first preferred and its prior claim upon earnings is an encouraging development. This action brings nearer the day when common stockholders may anticipate definite participation in the company's prosperity. It is suggested that preferred shareholders exercise their rights to convert.

American Cyanamid was another feature of the fortnight. Formerly engaged in the production of chemicals used in fertilizer manufacture, this

company has greatly expanded and diversified its output in the past eight years. Gross sales have increased from 6.19 million dollars in 1918 to 9.52 millions last year. Operating expenses have increased more rapidly than gross, due, however, to the development of new lines of manufacture.

Net profits have averaged approximately $11 a share for the common stock in the period previously referred to, despite post-war depression in the fertilizer industry. For the year ended June 30, 1924, Cyanamid reported net profits of $18.49 a share while in the twelve months ended June last, earnings were equivalent to $11.46 a share.

These balances do not seem to fully reflect the company's earning capacity. The management has bent its energies toward up-building of finances with the result that heavy charge-offs have cut the actual balance shown for the common stock very materially. These charge-offs include liberal allowances for reserves, writing down patents, investments and goodwill, reduction of preferred stock and heavy deductions for depreciation.

In view of the brightening outlook for the fertilizer industry and the probability that future charges against earnings will be materially smaller, the company appears to be in a position to apply a larger share of its earnings to the common stock. Hence, this issue still seems to possess long range possibilities despite its substantial advance.

Manhattan Rubber Manufacturing common, a recent recommendation, has justified expectations. Strength in this issue is evidently based upon the favorable outlook for the company. Advices to the department indicate that earnings are showing substantial improvement which would appear to foreshadow the likelihood of a moderate increase in the present $2.50 dividend in the not distant future.

Otto Eisenlohr was another low-priced security which gave a good account of itself during the fortnight. Demand for the common and preferred shares has developed, following more general recognition of underlying betterment in the cigar industry. Producers have succeeded in effecting operating economies in many directions. Cigar quality is being improved and the former five-cent brands appear to be staging a much desired comeback.

Eisenlohr has entered the latter field through its subsidiary, the Webster Cigar Co., which is marketing a small five-cent cigar, counterpart of its higher-priced makes, under the trade name "Websterette." Another favorable factor in the cigar situation is the prospect for reduction of tobacco taxes in the coming session of Congress. The Ways and Means Committee has recommended a cut in the tax on cigars, varying from 75 cents to $4.50 a thousand.

Devoe & Raynolds Class A shares have been removed from our list of quotations because of the fact that this stock has been listed upon the New York Stock Exchange. Both Class A and B shares continue to exhibit firmness, based on expanding profits.

BUDGETING WITHOUT BOOK-KEEPING

(*Continued from page* 137)

advice. If they did not approve of my plans I at once abandoned the idea.

I think it is much better for a small trader to deal with a big house as they do not need the money as much as the small ones do and therefore do not urge one to trade and give advice only when it is asked for.

As I go along I have found out many things among which is that for the small investor investing is much better than speculating. It is slower but more sure.

My investment programme is divided about like this—B. & L. Asso. 25%, real estate bonds 25%, railroad and public utility bonds 15% and the rest common stock.

In buying common stocks, I have almost invariably found it more profitable to buy the high-priced dividend payers. You may sometimes make a "killing" in a low-priced speculative issue but you will also lose and in my experience the losses happen more often than the gains.

It is better to concentrate on a few issues, changing to others as conditions change, and keep well informed on them, than to scatter all over the board and not know much about anything.

Study Your Subject

To be even moderately successful it is essential to study the subject very carefully and a good financial publication is a necessity.

Well informed people seldom patronize get rich quick schemes.

For the past three years I have been reading THE MAGAZINE OF WALL STREET regularly and have obtained much good information from it. If read consistently a good line can be obtained on all kinds of securities.

As a start, especially for young people, the B. &. L. associations are undoubtedly the best investment medium as they teach the saving habit better than anything ever devised and once a habit is formed it is a hard thing to break. They pay from 6½% to 8% interest which is a good return, with safety such as these associations give. It is a good idea to take a few shares in different series and when they begin to mature you will have money coming in every year or so.

Real estate bonds can be purchased the same way. As a few extra ideas consider the following.

Do not despise small amounts—twenty-five cents a week for a year will buy a good pair of shoes and a hat. One dollar a week in a Christmas Club for a year will buy a good suit of clothes. If you wish to buy anything special save the money before buying it and so get the benefit of cash prices.

Keep Posted

The books, booklets, circulars and special letters listed below have been prepared with the utmost care by investment houses of the highest standard. They will be sent free on request, direct from the issuing house. Ask for them by number.

We urge our readers to take full advantage of this service. Address, Keep Posted Department, Magazine of Wall Street, 42 Broadway, New York City.

TRANS-LUX DAYLIGHT PICTURE SCREEN CORPORATION

An illustrated circular describing this unusual invention which has been installed by many of the leading Stock Exchange firms to display stock quotations in their customer's rooms.

This device has also been installed on the floor of the New York Stock Exchange. Arrangements have been made to use the Trans-Lux screen in one of the largest Motion picture theatres in this country.

This and many other uses are fully described in this circular, which will be sent without obligation to any of our readers. (358).

MORTGAGE INSURANCE

How to insure payment of mortgage on your home against death of breadwinner is covered in an interesting layout blank issued by an analyst of cooperative economics. Ask for 357.

FOR INCOME BUILDERS

This booklet describes a practical Partial Payment Plan, whereby sound securities may be purchased through monthly payments of as little as $10. Shows how a permanent, independent income may be built through the systematic investing of small sums set aside from current earnings. Ask for 318.

LET YOUR MONEY EARN 6%

If you are a small investor, you cannot afford to risk your money in speculation. Place it in shares of one of the safest building and loan associations. Send for their booklet No. 293.

THE PRUDENCE PARTIAL PAYMENT PLAN

An interesting booklet describing how guaranteed first mortgage Prudence Bonds may be purchased in small installments. Special features of the booklet are the chart which shows how money grows and the fact that the partial payments draw 5½% interest. (316)

43 YEARS WITHOUT LOSS TO ANY INVESTOR

The well-known firm of investment bankers who bring out this booklet have endeavored in the 1925 edition to present a comprehensive story of the business methods which for 43 years have insured the safety of all their underwritings to the end that no investor has ever suffered a loss or been compelled to wait even a single day for the payment of principal and interest upon his securities. (217)

ODD LOTS

A well known New York Stock Exchange firm has ready for free distribution a booklet which explains the many advantages that trading in odd lots offers to both small and large investors. (225)

TWO TO FOUR PER CENT EXTRA

This booklet presents the series of examples, tables, charts and diagrams comparing eight per cent with four per cent and eight per cent with six per cent. All calculations were checked by certified public accountants. Send for your free copy 344.

FOUR DISTINGUISHING MARKS

This 8-page booklet, issued by one of the largest first mortgage real estate bond houses, shows you how to "check up" first mortgage real estate bonds. Send for (264).

A QUESTION ANSWERED

An extremely interesting illustrated booklet explaining how a stock exchange firm handles out of town business. It shows how orders are treated from the time the letter arrives to the final placing of the certificates purchased. (278)

8% AND SAFETY

To hasten the rapid growth of Florida, the rate for first mortgage bonds in that state is 8%. This interesting booklet tells why they are safe. (322)

BOND RECORD

A convenient record book for listing bond holdings, interest payments, profits, etc. Title heading of book, "My Investments." A limited number is being distributed gratis by a leading Bond House. (285)

FIVE UNIQUE BONDS WITH A SPECULATIVE APPEAL

(Continued from page 124)

then entitled to the balance. Class "B" income debentures are outstanding in the amount of 7 millions. In 1925 they have received a payment of ½%. Current price is 14.

The opportunity arises out of the provision that these debentures shall have no maturity, but are due when road is sold or reorganized. It is generally believed that the Green Bay is destined for absorption by Pere Marquette, for whom it furnishes a logical spur. Hence, Green Bay is involved in the Van Sweringen situation. Such a sale would be attended by a purchase of present securities at something like asset value. For Class "B" income debentures, this figure might approximate par. Whatever the price, it would be tremendously in excess of present quotation. *Obviously, the speculative possibilities of the issue are unusual, to say the least.*

BROOKLYN, QUEENS CO. AND SUBURBAN R. R.

1st con. 5s 1941

A subsidiary of Brooklyn-Manhattan Transit Corp. Current quotations 63-64. Yield to maturity 9.22%. Outstanding 2.8 millions. Prior liens 1.7 millions. Almost all of this issue is endorsed with guaranty of Brooklyn Heights R. R. Co. as to principal and interest. Slight amount unguaranteed may be guaranteed upon payment of 1 point per bond. Liquidation of guaranteeing company has not yet been consummated.

Company operates in a densely populated district in North Brooklyn, making indispensable connections. Its gross income is going ahead satisfactorily as the larger part of its mileage is in that section of Queens which is experiencing a mushroom growth. With growth in income, and improvement of net earnings (present interest is earned by a fair margin), and above all with refinancing of the holding company, these bonds ought to show considerable gains.

It is understood that they have retired a senior underlying mortgage recently, and that any refinancing will advance 1st con. 5s to the position of a senior security. *When such progress has been made (it is believed that most of this will take place within a year), the bonds ought to sell on better than a 6% basis, or at 80, compared with the present price of 64.*

For Feature Articles to Appear in the Next Issue—See Page 131

WHILE THEY LAST

Special Offer — of 33⅓ per cent discount on our books. Good until Dec. 10

To Students of INVESTMENT and TRADING:

Nowhere else does the adage "KNOWLEDGE IS POWER" apply more aptly than to the field of Investment and Stock Trading. Here is an opportunity to increase your knowledge at a very small expense to you.

Many books on this subject are too technical. They assume that the reader already has a considerable knowledge in this field.

The books offered herewith, while representing years of study and experience on the part of EXPERTS are nevertheless simple, intensely practical and easily understood.

Special 33 1/3 Per Cent Price Reduction

Because of numerous requests from our readers, our last special book discount of 33⅓ per cent is now repeated.

Ten Books — A Complete Investment and Trading Library — For $15

The entire list of 10 books—regular price $23.75, would cost you under this offer, $16.40, but as a special concession we will send you this complete Investment and Trading Library for $15.00. This offer saves you $8.75.

Single Volumes Offered at Special Discount

For the benefit of those who have some, but not all of our Library, we will allow them to select any of the volumes listed below, and they will be shipped at the special rates, until December 10.

Check those you wish, and mail the order form TODAY, for our supply of these volumes is very limited. This Offer Positively Expires Dec. 10.

——————ORDER FORM——————

MAGAZINE OF WALL STREET,
42 Broadway, New York City.
Gentlemen:

Check the offer you accept
No orders sent C.O.D. outside of Continental U. S. A.

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Dis. 11-21

PUTS & CALLS

If stock market traders understood the advantage derived from the use of PUTS & CALLS, they would familiarize themselves with their operation.

PUTS & CALLS place a buyer of them in position to take advantage of unforeseen happenings.

The risk is limited to the cost of the Put or Call.

Explanatory booklet 14 *sent upon request. Correspondence invited.*

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$400 MACHINE EARNED $5,040 IN ONE YEAR. $240 machine earned $1,448. $160 machine earned $2,160. Many machines in St. Louis earning annually about $4,000. One man installed about 300 machines. Responsible company offers exclusive advertising proposition. Unlimited possibilities. Protected territory. $1,000 to $3,000 investment required. Experience unnecessary.

NATIONAL KEI-LAC COMPANY, 312 N. 19th St., St. Louis, Mo.

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ACREAGE BARGAIN!

875 acres in S. W. Georgia. $15.00 per acre. Ideal for hunting lodge. Abounds in quail.

P. D. RICH, Owner
Bainbridge, Georgia

Charters

DELAWARE incorporator; charters; fees small; forms. Chas. G. Guyer, 901 Orange St., Wilmington, Del.

Dividends

Remington Typewriter Company

First and Second Preferred Dividend No. 78

New York, November 10, 1925.

The Board of Directors has this day declared a quarterly dividend of 1¾% ($1.75) per share on the First Preferred and Series "S" First Preferred stocks, payable January 1, 1926, to stockholders of record December 15, 1925.

The Board of Directors also declared a quarterly dividend of 2% ($2.00) per share on the Second Preferred stock, payable January 1, 1926, to stockholders of record December 15, 1925.

HAROLD E. SMITH,
Secretary.

Stewart-Warner Speedometer Corporation

Dividend Notice

At a meeting of the Board of Directors of the Stewart-Warner Speedometer Corporation held October 20, 1925, a dividend of One dollar and twenty-five cents ($1.25) was declared upon the stock of this corporation payable November 15, 1925, to the holders of said stock of record upon the transfer books of this corporation on October 31, 1925.
An extra dividend of One dollar ($1.00) was also declared upon the stock, payable November 15, 1925 to stockholders of record on October 31, 1925.
The stock transfer books will not be closed for dividend purposes.
by W. J. ZUCKER, Secretary.

The Mengel Company

The Board of Directors of The Mengel Company, November 4th, 1925, declared the regular quarterly dividend of one and three-quarters percent (1¾%) on the Preferred Capital Stock of the Company, Payable December 1st, 1925, to stockholders of record at the close of business November 16th, 1925.

J. C. DORMAN,
Secretary.

Any Preferred Stock to be transferred should be sent to this office, Eleventh and Dumesnil Streets, Louisville, Ky.

J. C. DORMAN,
Secretary.

Louisville, Kentucky, November 4th, 1925.

Business Opportunities

STOCK TRADER'S STATISTICS FOR SALE BY EXECUTOR

Successful trader and investor's working and reference data; economic, financial security and price information. Also includes files of The Magazine of Wall Street, Standard Statistics, Brookmire, Annalist, etc. Large scale charts, clippings, books. Address Box 64, care of The Magazine of Wall Street, 42 Broadway, N. Y. C.

OPERATION TRADING ACCOUNTS

Correspondence invited from customers interested in having an experienced trader, in close touch with all markets, operate for them. Accounts carried in individual's own name with brokers holding Exchange memberships. CYRUS A. SMALE, Box 315, Washington, D C.

Woman with many years experience in brokerage office desires to connect with New York Stock Exchange firm with view of opening woman's trading department. Full particulars on request. Box 65, care of The Magazine of Wall Street, 42 Broadway, N. Y. C.

Have several small issues of irrigation and municipal bonds that I would like to find a market for. If interested, get in touch with Western Bond Company, Phoenix, Arizona.

Dividends

Paramount Pictures

FAMOUS PLAYERS-LASKY CORPORATION

COMMON DIVIDEND

PLEASE TAKE NOTICE that the Board of Directors has this day declared the regular quarterly dividend of $2.00 per share on the Common Capital Stock of this Company, payable January 2nd, 1926, to stockholders of record at the close of business on December 15th, 1925.

ELEK JOHN LUDVIGH,
November 9th, 1925 *Secretary.*

CANADIAN PACIFIC RAILWAY COMPANY

DIVIDEND No. 118

At a Meeting of the Board of Directors held today, a Dividend of two and one-half per cent on the Common Stock for the quarter ended 30th September last was declared from Railway Revenues and Special Income.
Payable 31st December next to Shareholders of record at three p.m. on 1st December next.
By order of the Board.

ERNEST ALEXANDER,
Secretary.

Montreal—10th November, 1925.

FEDERAL LIGHT & TRACTION CO.
PREFERRED STOCK DIVIDEND

52 William Street, New York, Nov. 4, 1925.
The Board of Directors has this day declared the Regular Quarterly Dividend of One Dollar and Fifty Cents ($1.50) per share on the Preferred Stock of Federal Light & Traction Company payable on December 1, 1925, to the Preferred Stockholders of record as of the close of business November 14, 1925.
Checks will be mailed. The transfer books will not be closed.

J. DUNHILL, Treasurer.

Reid Ice Cream Corporation

Preferred Dividend

A dividend of $1.75 per share on the outstanding preferred stock of the above corporation has been declared, payable December 1st, 1925, to stockholders of record at the close of business November 20th, 1925.

W. J. WELLER, Treasurer.

Printing

LITHOGRAPHED LETTERHEADS

For $1.25 PER THOUSAND COMPLETE

IN 50M lots; 25M $1.50; 12,500 $1.75 on our white 20 lb. Paramount Bond. A Beautiful, Strong, Snappy Sheet. No smaller quantities.

ENVELOPES TO MATCH, $1.50 PER M
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TELEPHONES PLAza 1874-1875-1518
Established 1898 Incorporated 1905

Dividends

Federal Light & Traction Co.

COMMON STOCK DIVIDEND

52 William Street, New York, Nov. 4, 1925.

The Board of Directors has this day declared a quarterly dividend of Thirty-five Cents (35c) per share upon the Common Stock of the Company. Such dividend is payable Twenty Cents (20c) in cash and Fifteen Cents (15c) per share (1/100 of a share) in Common Stock of the Company. This dividend is payable on January 2, 1926, to the Common Stockholders of record at the close of business December 15, 1925.
No certificate of Common Stock will be issued for less than one (1) share. For fractional shares scrip will be issued and will be exchangeable for stock at the office of The New York Trust Company, No. 100 Broadway, New York, N. Y., in amounts aggregating Fifteen Dollars ($15.00) or multiples thereof. No dividends will be paid to the holders of scrip but all dividends on the stock represented by scrip will be payable to the first registered holder of the stock. Checks for the cash dividend and certificates and/or scrip for the stock dividend will be mailed. The transfer Books will not be closed.

J. DUNHILL, Secretary and Treasurer.

UNITED STATES REALTY AND IMPROVEMENT COMPANY

111 BROADWAY, NEW YORK.

The directors of this company declared today a quarterly dividend of two and one-half percent on its common stock, payable on December 15, 1925, to stockholders of record at the close of business on December 4, 1925.
Attention is called to the fact that the stock transfer books of the company will close on November 16, 1925, and remain closed until December 10, 1925, by reason of a special meeting of the stockholders to be held on December 9, 1925.

ALBERT E. HADLOCK, Treasurer.
New York, November 5, 1925.

Underwood Typewriter Co.

The Board of Directors of the Underwood Typewriter Company at its regular meeting held November 12th, 1925, declared an extra dividend of $1.00 per share on the Common stock of the Company, payable December 23rd, 1925 to stockholders of record December 1st, 1925.

They also declared the regular quarterly dividends of $1.75 per share on the Preferred and 75c per share on the Common stock of the Company, payable January 1st, 1926, to stockholders of record December 1st, 1925.

D. W. BERGEN, Treasurer.

SIMMS PETROLEUM COMPANY

Notice is hereby given that a dividend of Fifty Cents (50c) a share on the capital stock of the company has been declared, payable on January 2, 1926 to stockholders of record at the close of business December 15, 1925. The stock transfer books will not be closed.

ALFRED J. WILLIAMS, Treasurer.
New York, Nov. 13, 1925.